

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.



NORDEA BANK AB (PUBL)

(Incorporated with limited liability in the Kingdom of Sweden)

€15,000,000,000

Structured Note Programme

This supplement no. 4 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 19 December 2017 and the base prospectus supplements dated 13 February 2018, 21 March 2018 and 8 May 2018 (together, the "**Base Prospectus**") prepared by Nordea Bank AB (publ) ("**NBAB**", "**Nordea**" or the "**Issuer**") 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 2 August 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.

SECOND QUARTER INTERIM REPORT 2018

On 19 July 2018, the Issuer published its second quarter report for the six months ending 30 June 2018 (the "**Second Quarter Report 2018**"). The Second Quarter Report 2018 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 and balance sheet, the notes to the individual financial statements and the auditor's report on their review of the Second Quarter Report 2018 are set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

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 30 June 2018, 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."

GJENSIDIGE BANK ASA

On 1 July 2018, the Nordea Group entered into an agreement with Gjensidige Forsikring ASA to acquire all the shares in Gjensidige Bank ASA. Nordea will acquire Gjensidige Bank for an estimated cash consideration of NOK 5,500 million (EUR 578 million), that will be adjusted for the equity generated by Gjensidige Bank until closing of the transaction. The acquisition, which is subject to certain conditions, including regulatory and other approvals, is expected to close in the first quarter of 2019.

GROUP EXECUTIVE MANAGEMENT

With effect from 1 October 2018, Jussi Koskinen has been appointed as Chief Legal Officer and member of the Group Executive Management of the Nordea Group.

REDOMICILIATION AND MERGER

The European Central Bank has granted a banking licence to Nordea Bank Abp, the intended parent company of the Nordea Group following completion of the Merger.

UPDATE OF THE SUMMARY OF THE PROGRAMME

The Summary of the Programme 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

Index

Nordea Bank AB (publ)

Page

(of Second Quarter Report 2018)

| | | |
|-----|---|-------|
| 1. | Unaudited consolidated income statement dated 30 June 2018 | 36 |
| 2. | Unaudited consolidated statement of comprehensive income dated 30 June 2018 | 36 |
| 3. | Unaudited consolidated balance sheet dated 30 June 2018 | 37 |
| 4. | Unaudited consolidated statement of changes in equity dated 30 June 2018 | 38 |
| 5. | Unaudited consolidated cash flow statement (condensed) dated 30 June 2018 | 39 |
| 6. | Notes to the Consolidated Financial Statements | 40-58 |
| 7. | Unaudited income statement dated 30 June 2018 | 59 |
| 8. | Unaudited balance sheet dated 30 June 2018 | 60 |
| 9. | Note to the Issuer's Financial Statements | 61-66 |
| 10. | Report on Review of Interim Financial Information | 70 |

Income statement

| | Q2 2018 | Q2 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|--|---------------|---------------|-----------------|-----------------|-------------------|
| EURm | | | | | |
| Operating income | | | | | |
| Interest income | 1,820 | 1,914 | 3,546 | 3,826 | 7,575 |
| Interest expense | -747 | -739 | -1,420 | -1,454 | -2,909 |
| Net interest income | 1,073 | 1,175 | 2,126 | 2,372 | 4,666 |
| Fee and commission income | 991 | 1,068 | 1,971 | 2,150 | 4,232 |
| Fee and commission expense | -191 | -218 | -401 | -434 | -863 |
| Net fee and commission income | 3 | 800 | 850 | 1,716 | 3,369 |
| Net result from items at fair value | 4 | 260 | 361 | 736 | 1,328 |
| Profit from associated undertakings and joint ventures accounted for under the equity method | 33 | 0 | 61 | 4 | 23 |
| Other operating income | 375 | 21 | 398 | 40 | 83 |
| Total operating income | 2,541 | 2,407 | 4,856 | 4,868 | 9,469 |
| Operating expenses | | | | | |
| General administrative expenses: | | | | | |
| Staff costs | -730 | -795 | -1,528 | -1,594 | -3,212 |
| Other expenses | 5 | -350 | -433 | -820 | -1,622 |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -74 | -63 | -145 | -123 | -268 |
| Total operating expenses | -1,154 | -1,291 | -2,359 | -2,537 | -5,102 |
| Profit before loan losses | 1,387 | 1,116 | 2,497 | 2,331 | 4,367 |
| Net loan losses | 6 | -59 | -106 | -219 | -369 |
| Operating profit | 1,328 | 1,010 | 2,398 | 2,112 | 3,998 |
| Income tax expense | -243 | -267 | -493 | -525 | -950 |
| Net profit for the period | 1,085 | 743 | 1,905 | 1,587 | 3,048 |
| Attributable to: | | | | | |
| Shareholders of Nordea Bank AB (publ) | 1,085 | 740 | 1,894 | 1,579 | 3,031 |
| Additional Tier 1 capital holders | - | - | 7 | - | - |
| Non-controlling interests | 0 | 3 | 4 | 8 | 17 |
| Total | 1,085 | 743 | 1,905 | 1,587 | 3,048 |
| Basic earnings per share, EUR | 0.27 | 0.18 | 0.47 | 0.39 | 0.75 |
| Diluted earnings per share, EUR | 0.27 | 0.18 | 0.47 | 0.39 | 0.75 |

Statement of comprehensive income

| | Q2 2018 | Q2 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|---|--------------|-------------|-----------------|-----------------|-------------------|
| EURm | | | | | |
| Net profit for the period | 1,085 | 743 | 1,905 | 1,587 | 3,048 |
| Items that may be reclassified subsequently to the income statement | | | | | |
| Currency translation differences during the period | -22 | -353 | -122 | -286 | -511 |
| Tax on currency translation differences during the period | -17 | -72 | -1 | 2 | 3 |
| <i>Hedging of net investments in foreign operations:</i> | | | | | |
| Valuation gains/losses during the period | 12 | 88 | 16 | 106 | 175 |
| Tax on valuation gains/losses during the period | -5 | -19 | -5 | -23 | -37 |
| <i>Fair value through other comprehensive income:¹</i> | | | | | |
| Valuation gains/losses during the period, net of recycling | -9 | - | -2 | - | - |
| Tax on valuation gains/losses during the period | 2 | - | 0 | - | - |
| <i>Available for sale investments:¹</i> | | | | | |
| Valuation gains/losses during the period, net of recycling | - | 18 | - | 46 | 31 |
| Tax on valuation gains/losses during the period | - | -4 | - | -11 | -8 |
| <i>Cash flow hedges:</i> | | | | | |
| Valuation gains/losses during the period, net of recycling | 9 | -23 | 20 | -105 | -107 |
| Tax on valuation gains/losses during the period | -2 | 5 | -4 | 24 | 24 |
| Items that may not be reclassified subsequently to the income statement | | | | | |
| <i>Changes in own credit risk related to liabilities classified as fair value option:</i> | | | | | |
| Valuation gains/losses during the period | 4 | - | 9 | - | - |
| Tax on valuation gains/losses during the period | -1 | - | -2 | - | - |
| <i>Defined benefit plans:</i> | | | | | |
| Remeasurement of defined benefit plans | 35 | -18 | 0 | 0 | -115 |
| Tax on remeasurement of defined benefit plans | -8 | 5 | -1 | 1 | 25 |
| Other comprehensive income, net of tax | -2 | -373 | -92 | -246 | -520 |
| Total comprehensive income | 1,083 | 370 | 1,813 | 1,341 | 2,528 |
| Attributable to: | | | | | |
| Shareholders of Nordea Bank AB (publ) | 1,083 | 367 | 1,802 | 1,333 | 2,511 |
| Additional Tier 1 capital holders | - | - | 7 | - | - |
| Non-controlling interests | 0 | 3 | 4 | 8 | 17 |
| Total | 1,083 | 370 | 1,813 | 1,341 | 2,528 |

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

Balance sheet

| | Note | 30 Jun 2018 | 31 Dec 2017 | 30 Jun 2017 |
|---|------|----------------|----------------|----------------|
| EURm | | | | |
| Assets | | | | |
| Cash and balances with central banks | | 33,690 | 43,081 | 59,512 |
| Loans to central banks | 7 | 6,732 | 4,796 | 9,370 |
| Loans to credit institutions | 7 | 13,351 | 8,592 | 20,999 |
| Loans to the public | 7 | 314,813 | 310,158 | 314,680 |
| Interest-bearing securities | | 74,987 | 75,294 | 90,592 |
| Financial instruments pledged as collateral | | 8,898 | 6,489 | 5,505 |
| Shares | | 15,568 | 17,180 | 28,692 |
| Assets in pooled schemes and unit-linked investment contracts | | 26,335 | 25,879 | 24,772 |
| Derivatives | | 43,719 | 46,111 | 53,385 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | 165 | 163 | 140 |
| Investments in associated undertakings and joint ventures | | 1,577 | 1,235 | 567 |
| Intangible assets | | 4,064 | 3,983 | 3,991 |
| Property and equipment | | 594 | 624 | 570 |
| Investment properties | | 1,615 | 1,448 | 3,205 |
| Deferred tax assets | | 119 | 118 | 84 |
| Current tax assets | | 363 | 121 | 482 |
| Retirement benefit assets | | 265 | 250 | 333 |
| Other assets | | 20,237 | 12,441 | 17,387 |
| Prepaid expenses and accrued income | | 1,507 | 1,463 | 1,638 |
| Assets held for sale | 12 | 1,454 | 22,186 | 6,852 |
| Total assets | | 570,053 | 581,612 | 642,756 |
| Liabilities | | | | |
| Deposits by credit institutions | | 50,145 | 39,983 | 69,767 |
| Deposits and borrowings from the public | | 176,491 | 172,434 | 189,534 |
| Deposits in pooled schemes and unit-linked investment contracts | | 26,904 | 26,333 | 25,159 |
| Liabilities to policyholders | | 19,241 | 19,412 | 41,773 |
| Debt securities in issue | | 177,865 | 179,114 | 185,164 |
| Derivatives | | 44,519 | 42,713 | 52,767 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | 1,272 | 1,450 | 1,911 |
| Current tax liabilities | | 613 | 389 | 295 |
| Other liabilities | | 27,394 | 28,515 | 27,338 |
| Accrued expenses and prepaid income | | 1,581 | 1,603 | 1,813 |
| Deferred tax liabilities | | 589 | 722 | 927 |
| Provisions | | 314 | 329 | 295 |
| Retirement benefit obligations | | 276 | 281 | 268 |
| Subordinated liabilities | | 8,573 | 8,987 | 9,333 |
| Liabilities held for sale | 12 | 2,331 | 26,031 | 5,017 |
| Total liabilities | | 538,108 | 548,296 | 611,361 |
| Equity | | | | |
| Additional Tier 1 capital holders | | 750 | 750 | - |
| Non-controlling interests | | - | 168 | 158 |
| Share capital | | 4,050 | 4,050 | 4,050 |
| Share premium reserve | | 1,080 | 1,080 | 1,080 |
| Other reserves | | -1,642 | -1,543 | -1,269 |
| Retained earnings | | 27,707 | 28,811 | 27,376 |
| Total equity | | 31,945 | 33,316 | 31,395 |
| Total liabilities and equity | | 570,053 | 581,612 | 642,756 |
| Assets pledged as security for own liabilities | | 173,526 | 198,973 | 199,422 |
| Other assets pledged | | 5,453 | 4,943 | 5,437 |
| Contingent liabilities | | 17,272 | 19,020 | 20,008 |
| Credit commitments ¹ | | 74,422 | 74,545 | 74,027 |
| Other commitments | | 1,053 | 2,487 | 2,344 |

¹ Including unutilised portion of approved overdraft facilities of EUR 28,891m (31 Dec 2017: EUR 29,956m, 30 Jun 2017: EUR 29,579m).

Statement of changes in equity

| Attributable to shareholders of Nordea Bank AB (publ) | | | | | | | | | | | | |
|---|----------------------------|-----------------------|-----------------------------------|------------------|--|-----------------------|---|-------------------|--------|-----------------------------------|---------------------------|--------------|
| Other reserves: | | | | | | | | | | | | |
| | Share capital ¹ | Share premium reserve | Translation of foreign operations | Cash flow hedges | Fair value through other comprehensive income ² | Defined benefit plans | Changes in own credit risk related to liabilities classified as fair value option | Retained earnings | Total | Additional Tier 1 capital holders | Non-controlling interests | Total equity |
| EURm | | | | | | | | | | | | |
| Balance at 1 Jan 2018 | 4,050 | 1,080 | -1,720 | -46 | 103 | 120 | - | 28,811 | 32,398 | 750 | 168 | 33,316 |
| Restatement due to changed accounting policy, net of tax ³ | - | - | - | - | 1 | - | -8 | -237 | -244 | - | - | -244 |
| Restated opening balance at 1 Jan 2018 | 4,050 | 1,080 | -1,720 | -46 | 104 | 120 | -8 | 28,574 | 32,154 | 750 | 168 | 33,072 |
| Net profit for the period | - | - | - | - | - | - | - | 1,894 | 1,894 | 7 | 4 | 1,905 |
| Other comprehensive income, net of tax | - | - | -112 | 16 | -2 | -1 | 7 | - | -92 | - | - | -92 |
| Total comprehensive income | - | - | -112 | 16 | -2 | -1 | 7 | 1,894 | 1,802 | 7 | 4 | 1,813 |
| Paid interest on AT1 capital | - | - | - | - | - | - | - | - | - | -7 | - | -7 |
| Dividend 2017 | - | - | - | - | - | - | - | -2,747 | -2,747 | - | - | -2,747 |
| Purchase of own shares ⁴ | - | - | - | - | - | - | - | -14 | -14 | - | - | -14 |
| Change in non-controlling interests ⁵ | - | - | - | - | - | - | - | - | - | - | -172 | -172 |
| Balance at 30 Jun 2018 | 4,050 | 1,080 | -1,832 | -30 | 102 | 119 | -1 | 27,707 | 31,195 | 750 | - | 31,945 |

| | Attributable to shareholders of Nordea Bank AB (publ) | | | | | | | | | | |
|--|---|-----------------------|-----------------------------------|------------------|--------------------------------|-----------------------|-------------------|--------|-----------------------------------|---------------------------|--------------|
| | Other reserves: | | | | | | | | | | |
| | 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 |
| EURm | | | | | | | | | | | |
| 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 for 2016 | - | - | - | - | - | - | -2,625 | -2,625 | - | - | -2,625 |
| Purchase of own shares ⁴ | - | - | - | - | - | - | -12 | -12 | - | - | -12 |
| Change in non-controlling interests ⁵ | - | - | - | - | - | - | 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: | | | | | | | | | | | |
| | Share capital ¹ | Share premium reserve | Translation of foreign operations | Cash flow hedges | Available for sale investments | Defined benefit plans | Retained earnings | Total | Non-controlling interests | Total equity | |
| EURm | | | | | | | | | | | |
| 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 | - | - | - | - | - | - | 1,579 | 1,579 | 8 | 1,587 | |
| Other comprehensive income, net of tax | - | - | -201 | -81 | 35 | 1 | - | -246 | - | -246 | |
| Total comprehensive income | - | - | -201 | -81 | 35 | 1 | 1,579 | 1,333 | 8 | 1,341 | |
| Dividend for 2016 | - | - | - | - | - | - | -2,625 | -2,625 | - | -2,625 | |
| Purchase of own shares ⁴ | - | - | - | - | - | - | -2 | -2 | - | -2 | |
| Change in non-controlling interests ⁵ | - | - | - | - | - | - | 122 | 122 | 149 | 271 | |
| Balance at 30 Jun 2017 | 4,050 | 1,080 | -1,551 | -44 | 115 | 211 | 27,376 | 31,237 | 158 | 31,395 | |

¹ Total shares registered were 4,050 million (31 Dec 2017: 4,050 million, 30 Jun 2017: 4,050 million).

² Due to the implementation of IFRS 9 the Available for sale (AFS) category does no longer exists and the assets are instead classified as Fair value through other comprehensive income (FVOCI). Hence, the opening balance 2018 for the FVOCI-reserve is the closing balance 2017 for the AFS-reserve.

³ Related to IFRS 9 and IFRS 15. See Note 1 for more information.

⁴ Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares at 30 Jun 2018 was 14.7 million (31 Dec 2017: 13.7 million, 30 Jun 2017: 12.7 million). The total holdings of own shares related to LTIP were 10.2 million (31 Dec 2017: 10.2 million, 30 Jun 2017: 10.2 million).

⁵ Refers to the sale of Nordea Liv & Pension, Livforsikringselskab A/S in Denmark.

Cash flow statement, condensed

| | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|---|------------------------|------------------------|------------------------|
| EURm | | | |
| Operating activities | | | |
| Operating profit | 2,398 | 2,112 | 3,998 |
| Adjustments for items not included in cash flow | 1,126 | 1,938 | 3,514 |
| Income taxes paid | -638 | -856 | -950 |
| Cash flow from operating activities before changes in operating assets and liabilities | 2,886 | 3,194 | 6,562 |
| Changes in operating assets and liabilities | -7,434 | 28,435 | 5,712 |
| Cash flow from operating activities | -4,548 | 31,629 | 12,274 |
| Investing activities | | | |
| Sale of business operations | 463 | - | 228 |
| Acquisition/sale of associated undertakings and joint ventures | 26 | - | -937 |
| Acquisition/sale of property and equipment | -16 | -43 | -118 |
| Acquisition/sale of intangible assets | -262 | -342 | -643 |
| Net investments in debt securities, held to maturity | - | -192 | -8 |
| Sale/acquisition of other financial fixed assets | -2 | 28 | -21 |
| Cash flow from investing activities | 209 | -549 | -1,499 |
| Financing activities | | | |
| Amortised subordinated liabilities | -500 | -750 | -750 |
| Divestment of own shares including change in trading portfolio | -14 | -2 | -12 |
| Dividend paid | -2,747 | -2,625 | -2,625 |
| Issued Additional Tier 1 capital | - | - | 750 |
| Paid interest on Additional Tier 1 capital | -7 | - | - |
| Cash flow from financing activities | -3,268 | -3,377 | -2,637 |
| Cash flow for the period | -7,607 | 27,703 | 8,138 |
| Cash and cash equivalents | 30 Jun 2018 | 30 Jun 2017 | 31 Dec 2017 |
| EURm | | | |
| Cash and cash equivalents at beginning of the period | 46,213 | 41,860 | 41,860 |
| Translation difference | 45 | -2,795 | -3,785 |
| Cash and cash equivalents at end of the period | 38,651 | 66,768 | 46,213 |
| Change | -7,607 | 27,703 | 8,138 |
| The following items are included in cash and cash equivalents: | | | |
| Cash and balances with central banks | 33,690 | 59,512 | 43,081 |
| Loans to central banks | 3,847 | 5,867 | 2,004 |
| Loans to credit institutions | 1,114 | 1,258 | 779 |
| Assets held for sale | - | 131 | 349 |
| Total cash and cash equivalents | 38,651 | 66,768 | 46,213 |

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal systems under government authority, where the following conditions are fulfilled:

- the central bank or the postal giro system is domiciled in the country where the institution is established.
- the balance on the account is readily available at any time.

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

Notes to the financial statements

Note 1 Accounting policies

The consolidated interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting". 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 2017, considering also the section "Changed accounting policies and presentation" below. For more information see Note G1 in the Annual Report 2017.

Changed accounting policies and presentation

The following new and amended standards were implemented by Nordea 1 January 2018:

IFRS 9 "Financial instruments"

The new standard IFRS 9 "Financial instruments" covers classification and measurement, impairment and general hedge accounting and replaces the earlier requirements covering these areas in IAS 39. The classification, measurement and impairment requirements in IFRS 9 were implemented by Nordea as from 1 January 2018. Nordea continues to use the IAS 39 hedge accounting requirements.

The total negative impact on equity from IFRS 9 amounts to EUR 183m after tax and was recognised as an opening balance adjustment 1 January 2018. For more information about the IFRS 9 transition impact on 1 January 2018, and the accounting principles applied by Nordea as from 1 January 2018 for classification, measurement and impairment of financial instruments, see Note G49 in the Annual Report for 2017. Nordea has not restated the comparative figures for 2017.

IFRS 15 "Revenue from Contracts with Customers"

The new standard IFRS 15 "Revenue from Contracts with Customers" 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 standard was implemented by Nordea as from 1 January 2018 using the modified retrospective approach, meaning that the cumulative effect of the change was recognised as an adjustment to equity in the opening balance 2018. Comparable figures for 2017 are not restated.

The new standard had an impact on Nordea's accounting policies for loan origination fees, as such fees are amortised as part of the effective interest of the loans to a larger extent than before. The total negative impact on equity from IFRS 15 amounts to EUR 61m after tax and was recognised as an opening balance adjustment 1 January 2018.

Nordea earns commission income from different services provided to customers. The recognition of commission income depends on the purpose for which the fees are received.

The major part of the revenues classified as "Commission income" constitutes revenue from contracts with customers according to IFRS 15. Fee income is recognised either when or as performance obligations are satisfied.

Asset management commissions are generally recognised over time as services are performed and are normally based on assets under management. These fees are recognised based on the passage of time as the amount, and the right to the fee, corresponds to the value received by the customer. Variable fees that are based on relative performance compared with a benchmark are in asset management rare and they are normally fixed and recognised at least each reporting date. Variable fees that are not fixed at the reporting date cannot generally be recognised as the outcome is uncertain and subject to market development.

Life & Pension commission income includes fee income, referred to as expense loading, from insurance contracts and investment contracts with policyholders. Investments contracts are contracts that do not include enough insurance risk to be classified as insurance contracts. The expense loading is the part of the premium income considered to be compensation for the contract administration. The fee income is recognised over time when the services are performed. These contracts do generally not include any up-front fees.

Fees categorised as Deposit Products, Brokerage, securities issues and corporate finance, Custody and issuer service and Payment commissions are recognised both over time and at a point of time dependent on when the performance obligations are satisfied. Card fees are categorised as interchange fees that are recognised at a point of time, when the customer uses the services, and cardholder fees that are recognised over time or at a point of time if the fee is transaction based.

Lending fees that are not part of the effective interest of a financial instrument are recognised at a point of time. The amount of loan syndication fees, as well as other transaction based fees, received are recognised at a point when the performance obligation is satisfied, i.e. when the syndication or transaction has been performed. Fees received on bilateral transactions are generally amortised as part of the effective interest of the financial instruments recognised.

Income from issued financial guarantees, and expenses for bought financial guarantees, are amortised over the duration of the instruments and classified as "Fee and commission income" and "Fee and commission expense" respectively. Other fee income is generally transaction based.

Commission expenses are normally transaction based and recognised in the period when the services are received.

Initial contract costs for obtaining contracts are recognised as an asset and amortised if the costs are expected to be recovered.

Other amendments

The following new and amended standards issued by IASB were implemented by Nordea 1 January 2018 but have not had any significant impact on the financial statements of Nordea:

- Amendment to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions
- Amendments to IAS 40: Transfers of Investment Property
- Annual Improvements to IFRS Standards 2014-2016 Cycle

Amendments have been made in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559). These amendments were implemented 1 January 2018 but have not had any significant impact on Nordea's financial statements.

In addition, the Swedish Financial Supervisory Authority has amended the accounting regulation FFFS 2008:25 by issuing FFFS 2017:18 and the Swedish Financial Reporting Board has amended the accounting recommendation for groups by issuing "RFR 1 Supplementary Accounting Rules for Groups – January 2018". Those amendments were implemented by Nordea 1 January 2018 but have not had any significant impact on Nordea's financial statements.

Changes in IFRSs not yet applied

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 low value 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 European 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. The assessment of the impact on capital adequacy and large exposures is not yet finalised.

IFRS 17 "Insurance contracts"

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

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

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 European Commission. Nordea does not currently intend to early adopt the standard. Nordea's current assessment is that the new standard will not have any significant impact on Nordea's capital adequacy or large exposures in the period of initial application. It is not yet possible to conclude on the impact on Nordea's financial statements.

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-Jun 2018 | Jan-Dec 2017 | Jan-Jun 2017 |
|----------------------------------|-----------------|-----------------|-----------------|
| EUR 1 = SEK | | | |
| Income statement (average) | 10.1553 | 9.6378 | 9.5961 |
| Balance sheet (at end of period) | 10.4530 | 9.8438 | 9.6398 |
| EUR 1 = DKK | | | |
| Income statement (average) | 7.4477 | 7.4387 | 7.4368 |
| Balance sheet (at end of period) | 7.4525 | 7.4449 | 7.4366 |
| EUR 1 = NOK | | | |
| Income statement (average) | 9.5953 | 9.3317 | 9.1771 |
| Balance sheet (at end of period) | 9.5115 | 9.8403 | 9.5713 |
| EUR 1 = RUB | | | |
| Income statement (average) | 71.9274 | 65.9190 | 62.7421 |
| Balance sheet (at end of period) | 73.1582 | 69.3920 | 67.5449 |

Note 2 Segment reporting

| | Operating segments | | | | | | | | |
|---|---------------------|-------------------------------------|----------------------|----------------------|--------------------------------|--------------------------------|--------------------------------|---------------------|----------------|
| | Personal Banking | Commercial & Business Banking | Wholesale Banking | Wealth Management | Group Finance & Treasury | Other operating segments | Total operating segments | Recon- ciliation | Total Group |
| Jan-Jun 2018 | | | | | | | | | |
| Total operating income, EURm | 1,690 | 1,083 | 939 | 895 | 180 | 108 | 4,895 | -39 | 4,856 |
| - of which internal transactions ¹ | -309 | -153 | -246 | -10 | 680 | 38 | 0 | - | - |
| Operating profit, EURm | 725 | 550 | 401 | 489 | 115 | 118 | 2,398 | 0 | 2,398 |
| Loans to the public ² , EURbn | 138 | 81 | 49 | 8 | - | 2 | 278 | 37 | 315 |
| Deposits and borrowings from the public ² , EURbn | 68 | 41 | 34 | 11 | - | 2 | 156 | 20 | 176 |
| Jan-Jun 2017 | | | | | | | | | |
| Total operating income, EURm | 1,657 | 1,047 | 1,035 | 1,000 | 262 | 113 | 5,114 | -246 | 4,868 |
| - of which internal transactions ¹ | -313 | -188 | -208 | -8 | 725 | -8 | 0 | - | - |
| Operating profit, EURm | 724 | 431 | 440 | 563 | 192 | 21 | 2,371 | -259 | 2,112 |
| Loans to the public ² , EURbn | 137 | 79 | 51 | 9 | - | 14 | 290 | 25 | 315 |
| Deposits and borrowings from the public ² , EURbn | 67 | 39 | 41 | 11 | - | 14 | 172 | 18 | 190 |

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-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Total operating income, EURm | 489 | 448 | 380 | 405 | 241 | 230 | 551 | 559 | 29 | 15 | 1,690 | 1,657 |
| - of which internal transactions | -87 | -60 | -59 | -51 | -91 | -103 | -73 | -73 | 1 | -26 | -309 | -313 |
| Operating profit, EURm | 129 | 91 | 125 | 169 | 116 | 112 | 296 | 299 | 59 | 53 | 725 | 724 |
| Loans to the public, EURbn | 36 | 36 | 32 | 32 | 28 | 26 | 43 | 43 | -1 | 0 | 138 | 137 |
| Deposits and borrowings from the public, EURbn | 17 | 17 | 21 | 21 | 8 | 8 | 22 | 21 | 0 | 0 | 68 | 67 |

| | Business Banking | | Business Banking Direct | | Commercial & Business Banking Other | | Commercial & Business Banking | |
|---|------------------|------|----------------------------|------|---|------|-------------------------------------|--------------|
| | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Total operating income, EURm | 913 | 899 | 191 | 193 | -21 | -45 | 1,083 | 1,047 |
| - of which internal transactions | -149 | -160 | -7 | -6 | 3 | -22 | -153 | -188 |
| Operating profit, EURm | 539 | 426 | 72 | 63 | -61 | -58 | 550 | 431 |
| Loans to the public, EURbn | 70 | 69 | 11 | 11 | 0 | -1 | 81 | 79 |
| Deposits and borrowings from the public, EURbn | 31 | 30 | 10 | 10 | 0 | -1 | 41 | 39 |

Note 2

Continued

| | Corporate & Investment Banking | | Financial Institutions & International Banks | | Banking Russia | | Capital Markets unallocated | | Wholesale Banking Other | | Wholesale Banking | |
|--|--------------------------------|------|--|------|----------------|------|-----------------------------|------|-------------------------|------|-------------------|-------|
| | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Total operating income, EURm | 671 | 648 | 150 | 171 | 41 | 63 | 103 | 199 | -26 | -46 | 939 | 1,035 |
| - of which internal transactions | -178 | -145 | -21 | -23 | -29 | -41 | -14 | 33 | -4 | -32 | -246 | -208 |
| Operating profit, EURm | 418 | 287 | 45 | 56 | -49 | 19 | 39 | 140 | -52 | -62 | 401 | 440 |
| Loans to the public, EURbn | 44 | 46 | 2 | 2 | 3 | 3 | - | - | - | - | 49 | 51 |
| Deposits and borrowings from the public, EURbn | 22 | 27 | 11 | 13 | 1 | 1 | - | - | - | - | 34 | 41 |

| | Private Banking | | Asset Management | | Life & Pension unallocated | | Wealth Management Other | | Wealth Management | |
|--|-----------------|------|------------------|------|----------------------------|------|-------------------------|------|-------------------|-------|
| | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | | Jan-Jun | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Total operating income, EURm | 309 | 363 | 487 | 479 | 251 | 307 | -152 | -149 | 895 | 1,000 |
| - of which internal transactions | -10 | -9 | 0 | 2 | 0 | 0 | 0 | -1 | -10 | -8 |
| Operating profit, EURm | 93 | 135 | 341 | 339 | 161 | 210 | -106 | -121 | 489 | 563 |
| Loans to the public, EURbn | 8 | 9 | - | - | - | - | - | - | 8 | 9 |
| Deposits and borrowings from the public, EURbn | 11 | 11 | - | - | - | - | - | - | 11 | 11 |

Reconciliation between total operating segments and financial statements

| | Operating profit, EURm | | Loans to the public, EURbn | | Deposits and borrowings from the public, EURbn | |
|---|------------------------|--------------|----------------------------|------------|--|------------|
| | Jan-Jun | | Jan-Jun | | Jan-Jun | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Total operating segments | 2,398 | 2,371 | 278 | 290 | 156 | 172 |
| Group functions ¹ | -54 | -54 | - | - | - | - |
| Unallocated items | 283 | 10 | 40 | 20 | 22 | 15 |
| Differences in accounting policies ² | -229 | -215 | -3 | 5 | -2 | 3 |
| Total | 2,398 | 2,112 | 315 | 315 | 176 | 190 |

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 second quarter changes to the basis of segmentation were made following the decision to reorganise the segment Business & Commercial Banking into new operating segments and to merge Shipping into CIB. Business & Commercial Banking consists of the two new operating segments Business Banking and Business Banking Direct, instead of the earlier operating segments Commercial Banking and Business Banking. These changes are 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

| | Q2 2018 | Q1 2018 | Q2 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|--|------------|------------|------------|-----------------|-----------------|-------------------|
| EURm | | | | | | |
| Asset management commissions | 364 | 358 | 393 | 722 | 774 | 1,543 |
| Life & Pensions | 59 | 81 | 74 | 140 | 153 | 313 |
| Deposit Products | 5 | 5 | 7 | 10 | 14 | 27 |
| Brokerage, securities issues and corporate finance | 65 | 34 | 48 | 99 | 124 | 224 |
| Custody and issuer services | 17 | 7 | 17 | 24 | 30 | 59 |
| Payments | 82 | 76 | 84 | 157 | 159 | 307 |
| Cards | 58 | 54 | 64 | 112 | 115 | 228 |
| Lending Products | 112 | 97 | 115 | 209 | 237 | 465 |
| Guarantees | 30 | 33 | 36 | 63 | 75 | 143 |
| Other | 8 | 26 | 12 | 34 | 35 | 60 |
| Total | 800 | 770 | 850 | 1,570 | 1,716 | 3,369 |

Break-down Jan-Jun 2018

| | Personal Banking | Commercial and Business Banking | Wholesale Banking | Wealth Management | Group Finance and Treasury | Other and elimination | Nordea Group |
|--|---------------------|--|----------------------|----------------------|-------------------------------------|--------------------------|-----------------|
| EURm | | | | | | | |
| Asset management commissions | 76 | 4 | 1 | 641 | 0 | 0 | 722 |
| Life & Pensions | 26 | 33 | 12 | 69 | 0 | 0 | 140 |
| Deposit Products | 4 | 5 | 1 | 0 | 0 | 0 | 10 |
| Brokerage, securities issues and corporate finance | 6 | 10 | 62 | 24 | -3 | 0 | 99 |
| Custody and issuer services | 3 | 4 | 16 | 4 | -3 | 0 | 24 |
| Payments | 50 | 81 | 28 | -2 | 0 | 0 | 157 |
| Cards | 92 | 11 | 6 | 3 | 0 | 0 | 112 |
| Lending Products | 59 | 47 | 103 | 0 | 0 | 0 | 209 |
| Guarantees | 3 | 22 | 38 | 0 | 0 | 0 | 63 |
| Other | 29 | 11 | 6 | -10 | 0 | -2 | 34 |
| Total | 348 | 228 | 273 | 729 | -6 | -2 | 1,570 |

Note 4 Net result from items at fair value

| | Q2 2018 | Q1 2018 | Q2 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|--|------------|------------|------------|-----------------|-----------------|-------------------|
| EURm | | | | | | |
| Equity related instruments | 200 | -45 | -103 | 155 | -44 | 370 |
| Interest related instruments and foreign exchange gains/losses | 25 | 404 | 387 | 429 | 692 | 712 |
| Other financial instruments (including credit and commodities) | 9 | 34 | 20 | 43 | -31 | 20 |
| Investment properties | 0 | -1 | -2 | -1 | -2 | -3 |
| Life insurance ¹ | 26 | 49 | 59 | 75 | 121 | 229 |
| Total | 260 | 441 | 361 | 701 | 736 | 1,328 |

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

| | Q2 2018 | Q1 2018 | Q2 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|--|------------|------------|------------|-----------------|-----------------|-------------------|
| EURm | | | | | | |
| Equity related instruments | 249 | -306 | 56 | -57 | 629 | 1,344 |
| Interest related instruments and foreign exchange gains/losses | 37 | -84 | 192 | -47 | 320 | 715 |
| Other financial instruments | 0 | 0 | 1 | 0 | 1 | 4 |
| Investment properties | 24 | 39 | 53 | 63 | 95 | 195 |
| Change in technical provisions ¹ | -307 | 196 | -179 | -111 | -891 | -2,056 |
| Change in collective bonus potential | 8 | 194 | -111 | 202 | -97 | 7 |
| Insurance risk income | 17 | 42 | 33 | 59 | 82 | 177 |
| Insurance risk expense | -2 | -32 | 14 | -34 | -18 | -157 |
| Total | 26 | 49 | 59 | 75 | 121 | 229 |

¹ Premium income amounts to EUR 66m for Q2 2018 and EUR 710m for Jan-Jun 2018 (Q2 2017: EUR 705m, Jan-Jun 2017: EUR 1,440m).

Note 5 Other expenses

| | Q2 2018 | Q1 2018 | Q2 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|--|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| EURm | | | | | | |
| Information technology | -119 | -123 | -157 | -242 | -286 | -565 |
| Marketing and representation | -12 | -11 | -16 | -23 | -31 | -66 |
| Postage, transportation, telephone and office expenses | -22 | -22 | -25 | -44 | -53 | -101 |
| Rents, premises and real estate | -84 | -74 | -76 | -158 | -153 | -309 |
| Other | -113 | -106 | -159 | -219 | -297 | -581 |
| Total | -350 | -336 | -433 | -686 | -820 | -1,622 |

Note 6 Net loan losses

| | Q2 2018 ¹ | Q1 2018 ¹ | Jan-Jun 2018 ¹ |
|---|-------------------------|-------------------------|------------------------------|
| EURm | | | |
| Net loan losses, stage 1 | -10 | 11 | 1 |
| Net loan losses, stage 2 | -32 | 70 | 38 |
| Net loan losses, non-defaulted | -42 | 81 | 39 |
| Stage 3, defaulted | | | |
| Net loan losses, individually assessed, collectively calculated | 4 | -71 | -67 |
| Realised loan losses | -127 | -108 | -235 |
| Decrease of provisions to cover realised loan losses | 80 | 82 | 162 |
| Recoveries on previous realised loan losses | 14 | 9 | 23 |
| New/increase in provisions | -119 | -127 | -246 |
| Reversals of provisions | 131 | 94 | 225 |
| Net loan losses, defaulted | -17 | -121 | -138 |
| Net loan losses | -59 | -40 | -99 |

Key ratios

| | Q2 2018 ¹ | Q1 2018 ¹ | Jan-Jun 2018 ¹ |
|-------------------------------|-------------------------|-------------------------|------------------------------|
| Loan loss ratio, basis points | 10 | 7 | 8 |
| - of which stage 1 | 2 | -2 | 0 |
| - of which stage 2 | 5 | -12 | -4 |
| - of which stage 3 | 3 | 21 | 12 |

| | Q2 2017 ² | Jan-Jun 2017 ² | Jan-Dec 2017 ² |
|--|-------------------------|------------------------------|------------------------------|
| EURm | | | |
| Realised loan losses | -112 | -216 | -435 |
| Decrease of provisions to cover realised loan losses | 87 | 156 | 309 |
| Recoveries on previous realised loan losses | 14 | 25 | 54 |
| New/increase in provisions | -254 | -529 | -1,001 |
| Reversal of provisions | 159 | 345 | 704 |
| Net loan losses | -106 | -219 | -369 |

Key ratios

| | Q2 2017 ² | Jan-Jun 2017 ² | Jan-Dec 2017 ² |
|-------------------------------|-------------------------|------------------------------|------------------------------|
| Loan loss ratio, basis points | 13 | 14 | 12 |
| - of which individual | 11 | 14 | 15 |
| - of which collective | 2 | 0 | -3 |

¹ Based on IFRS 9.

² Based on IAS 39.

Note 7 Loans and impairment

| | Total | | |
|---|--------------------------|--------------------------|--------------------------|
| | 30 Jun 2018 ¹ | 31 Dec 2017 ² | 30 Jun 2017 ² |
| EURm | | | |
| Loans measured at fair value | 86,298 | 76,766 | 88,965 |
| Loans measured at amortised cost, not impaired (stage 1 and 2) | 245,719 | 243,045 | 252,504 |
| Impaired loans (stage 3) | 5,127 | 6,068 | 5,975 |
| - of which servicing | 2,384 | 3,593 | 3,822 |
| - of which non-servicing | 2,743 | 2,475 | 2,153 |
| Loans before allowances | 337,144 | 325,879 | 347,444 |
| -of which central banks and credit institution | 14,152 | 13,389 | 30,375 |
| Allowances for individually assessed impaired loans (stage 3) | -1,801 | -1,936 | -1,896 |
| -of which servicing | -755 | -1,103 | -1,156 |
| -of which non-servicing | -1,046 | -833 | -740 |
| Allowances for collectively assessed impaired loans (stage 1 and 2) | -447 | -397 | -499 |
| Allowances | -2,248 | -2,333 | -2,395 |
| -of which central banks and credit institution | -1 | -1 | -6 |
| Loans, carrying amount | 334,896 | 323,546 | 345,049 |

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

| | 30 Jun 2018 ¹ | | | 30 Jun |
|--|--------------------------|---------------|--------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | 2017 ² |
| EURm | | | | |
| Loans to central banks, credit institutions and the public | 232,451 | 13,268 | 5,127 | 258,479 |
| Interest-bearing securities | 38,111 | - | - | 40,309 |
| Total³ | 270,562 | 13,268 | 5,127 | 298,788 |

Allowances and provisions

| | 30 Jun 2018 ¹ | | | 30 Jun |
|--|--------------------------|-------------|---------------|-------------------|
| | Stage 1 | Stage 2 | Stage 3 | 2017 ² |
| EURm | | | | |
| Loans to central banks, credit institutions and the public | -134 | -313 | -1,801 | -2,395 |
| Interest-bearing securities | -1 | - | - | - |
| Provisions for off balance sheet items | -13 | -37 | -79 | -100 |
| Total allowances and provisions³ | -148 | -350 | -1,880 | -2,495 |

Movements of allowance accounts for loans measured at amortised cost

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|-------------|-------------|---------------|---------------|
| EURm | | | | |
| Balance as at 1 Jan 2018¹ | -133 | -360 | -1,816 | -2,309 |
| Changes due to origination and acquisition | -20 | -3 | -9 | -32 |
| Changes due to change in credit risk (net) | 7 | 28 | -139 | -104 |
| Changes due to repayments and disposals | 11 | 21 | 26 | 58 |
| Write-off through decrease in allowance account | - | - | 160 | 160 |
| Other changes | 1 | 0 | -23 | -22 |
| Translation differences | 0 | 1 | 0 | 1 |
| Balance as at 30 Jun 2018 | -134 | -313 | -1,801 | -2,248 |

Key ratios⁴

| | 30 Jun 2018 ¹ | 31 Dec 2017 ² | 30 Jun 2017 ² |
|--|--------------------------|--------------------------|--------------------------|
| Impairment rate (stage 3), gross, basis points | 204 | | |
| Impairment rate (stage 3), net, basis points | 133 | | |
| Total allowance rate (stage 1, 2 and 3), basis points | 90 | | |
| Allowances in relation to impaired loans (stage 3), % | 35 | | |
| Allowances in relation to loans in stage 1 and 2, basis points | 18 | | |
| Impairment rate, gross, basis points | 186 | 172 | |
| Impairment rate, net, basis points | 127 | 117 | |
| Total allowance rate, basis points | 72 | 69 | |
| Allowances in relation to impaired loans, % | 32 | 32 | |
| Total allowances in relation to impaired loans, % | 38 | 40 | |
| Non-servicing, not impaired, EURm | 253 | 282 | |

¹ Based on IFRS 9.

² Based on IAS 39. Comparative figures for 2017 include impaired loans and allowances for loans measured at fair value. For 2018, these are not disclosed as impaired loans or allowances but rather as adjustment to fair value through "Net result from on items at fair value" in the income statement.

³ EUR 177m reclassified from allowances on loans held at amortised cost at transition to IFRS 9.

⁴ For definitions, see Glossary.

Note 8 Classification of financial instruments

| | Fair value through profit or loss (FVPL) | | | | Fair value through other comprehensive income (FVOCI) | |
|---|--|-------------|---|------------------------------|---|---------|
| | Amortised cost (AC) | Mandatorily | Designated at fair value through profit or loss (Fair value option) | Derivatives used for hedging | | Total |
| EURm | | | | | | |
| Financial assets | | | | | | |
| Cash and balances with central banks | 33,690 | - | - | - | - | 33,690 |
| Loans to central banks | 5,619 | 1,113 | - | - | - | 6,732 |
| Loans to credit institutions | 8,510 | 4,841 | - | - | - | 13,351 |
| Loans to the public | 234,469 | 80,344 | - | - | - | 314,813 |
| Interest-bearing securities | 3,298 | 29,764 | 7,113 | - | 34,812 | 74,987 |
| Financial instruments pledged as collateral | - | 8,898 | - | - | - | 8,898 |
| Shares | - | 15,568 | - | - | - | 15,568 |
| Assets in pooled schemes and unit-linked investment contracts | - | 25,846 | 330 | - | - | 26,176 |
| Derivatives | - | 41,770 | - | 1,949 | - | 43,719 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 165 | - | - | - | - | 165 |
| Other assets | 5,884 | 13,142 | - | - | - | 19,026 |
| Prepaid expenses and accrued income | 1,092 | - | - | - | - | 1,092 |
| Total 30 Jun 2018 | 292,727 | 221,286 | 7,443 | 1,949 | 34,812 | 558,217 |
| Total 1 Jan 2018 ¹ | 295,746 | 208,039 | 8,331 | 1,696 | 36,342 | 550,154 |

| | Fair value through profit or loss (FVPL) | | | | |
|---|--|-------------|---|------------------------------------|---------|
| | Amortised cost (AC) | Mandatorily | Designated at fair value through profit or loss (Fair value option) | Derivatives used for hedging | Total |
| EURm | | | | | |
| Financial liabilities | | | | | |
| Deposits by credit institutions | 34,993 | 15,152 | - | - | 50,145 |
| Deposits and borrowings from the public | 163,915 | 12,576 | - | - | 176,491 |
| Deposits in pooled schemes and unit-linked investment contracts | - | - | 26,904 | - | 26,904 |
| Liabilities to policyholders | - | - | 3,300 | - | 3,300 |
| Debt securities in issue | 123,225 | - | 54,640 | - | 177,865 |
| Derivatives | - | 43,579 | - | 940 | 44,519 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 1,272 | - | - | - | 1,272 |
| Other liabilities | 4,812 | 17,939 | - | - | 22,751 |
| Accrued expenses and prepaid income | 312 | - | - | - | 312 |
| Subordinated liabilities | 8,573 | - | - | - | 8,573 |
| Total 30 Jun 2018 | 337,102 | 89,246 | 84,844 | 940 | 512,132 |
| Total 1 Jan 2018 ¹ | 333,435 | 81,008 | 86,451 | 1,106 | 502,000 |

¹ In Note G49 "Classification of asset and liabilities under IFRS 9" in the Annual report 2017, the assets and liabilities per 1 January 2018 were presented in accordance with IFRS 9 and as stated the classification of the decrease of net tax liabilities of EUR 46m due to IFRS 9 on assets and liabilities remained to be confirmed. The correct classification has now been determined and resulted in an increase of Deferred tax assets and Deferred tax liabilities, both classified as non financial asset/liabilities, of EUR 41m compared to the amounts presented in Note G49. In addition, the effect on the opening balance 1 January 2018 due to IFRS 15 has been added and resulted in a decrease of Loans classified at amortised cost of EUR 79m, an increase of Deferred tax assets of EUR 15m and a decrease of Deferred tax liabilities of EUR 3m, both classified as non financial assets/liabilities, compared to the amounts presented in Note G49.

Note 9 Fair value of financial assets and liabilities

| | 30 Jun 2018 | | 31 Dec 2017 | |
|---|-----------------|----------------|-----------------|----------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| EURm | | | | |
| Financial assets | | | | |
| Cash and balances with central banks | 33,690 | 33,690 | 43,081 | 43,081 |
| Loans | 335,061 | 339,133 | 323,709 | 325,372 |
| Interest-bearing securities | 74,987 | 75,121 | 75,294 | 75,473 |
| Financial instruments pledged as collateral | 8,898 | 8,898 | 6,489 | 6,489 |
| Shares | 15,568 | 15,568 | 17,180 | 17,180 |
| Assets in pooled schemes and unit-linked investment contracts | 26,176 | 26,176 | 25,728 | 25,728 |
| Derivatives | 43,719 | 43,719 | 46,111 | 46,111 |
| Other assets | 19,026 | 19,026 | 11,795 | 11,795 |
| Prepaid expenses and accrued income | 1,092 | 1,092 | 999 | 999 |
| Total | 558,217 | 562,423 | 550,386 | 552,228 |
| Financial liabilities | | | | |
| Deposits and debt instruments | 414,346 | 415,645 | 401,968 | 403,488 |
| Deposits in pooled schemes and unit-linked investment contracts | 26,904 | 26,904 | 26,333 | 26,333 |
| Liabilities to policyholders | 3,300 | 3,300 | 3,486 | 3,486 |
| Derivatives | 44,519 | 44,519 | 42,713 | 42,713 |
| Other liabilities | 22,751 | 22,751 | 27,254 | 27,254 |
| Accrued expenses and prepaid income | 312 | 312 | 246 | 246 |
| Total | 512,132 | 513,431 | 502,000 | 503,520 |

The determination of fair value is described in the Annual report 2017, 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

| | 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 |
|---|--|---------------|---|---------------|---|---------------|----------------|
| EURm | | | | | | | |
| Assets at fair value on the balance sheet¹ | | | | | | | |
| Loans to central banks | - | - | 1,113 | - | - | - | 1,113 |
| Loans to credit institutions | - | - | 4,841 | - | - | - | 4,841 |
| Loans to the public | - | - | 80,344 | - | - | - | 80,344 |
| Interest-bearing securities ² | 30,292 | 3,353 | 49,925 | 4,032 | 370 | 4 | 80,587 |
| Shares | 12,390 | 8,426 | 1,592 | 1,385 | 1,586 | 922 | 15,568 |
| Assets in pooled schemes and unit-linked investment contracts | 24,422 | 20,603 | 1,578 | 1,578 | 176 | 176 | 26,176 |
| Derivatives | 67 | - | 42,544 | 158 | 1,108 | - | 43,719 |
| Other assets | - | - | 13,142 | - | - | - | 13,142 |
| Total 30 Jun 2018 | 67,171 | 32,382 | 195,079 | 7,153 | 3,240 | 1,102 | 265,490 |
| Total 31 Dec 2017 | 65,590 | 32,575 | 185,703 | 8,283 | 3,454 | 1,123 | 254,747 |
| Liabilities at fair value on the balance sheet¹ | | | | | | | |
| Deposits by credit institutions | - | - | 15,152 | - | - | - | 15,152 |
| Deposits and borrowings from the public | - | - | 12,576 | - | - | - | 12,576 |
| Deposits in pooled schemes and unit-linked investment | - | - | 26,904 | 22,670 | - | - | 26,904 |
| Liabilities to policyholders | - | - | 3,300 | 3,300 | - | - | 3,300 |
| Debt securities in issue | 15,583 | - | 35,850 | - | 3,207 | - | 54,640 |
| Derivatives | 44 | - | 43,600 | 47 | 875 | - | 44,519 |
| Other liabilities | 5,218 | - | 12,721 | - | - | - | 17,939 |
| Total 30 Jun 2018 | 20,845 | - | 150,103 | 26,017 | 4,082 | - | 175,030 |
| Total 31 Dec 2017 | 26,746 | - | 136,752 | 25,519 | 5,067 | - | 168,565 |

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

² Of which EUR 8,898m 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

Nordea has during the first half year, in comparison with the description in Note G40 in the Annual Report for 2017, changed the margin reset frequency assumption in the fair value model covering a mortgage loan portfolio in Denmark. The change generated a pre-tax gain of EUR 135m accounted for as "Net result from items at fair value" in the income statement. For more information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2017, Note G40 "Assets and liabilities at fair value".

Transfers between Level 1 and 2

During the period, Nordea transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 1,910m from Level 1 to Level 2 and EUR 1,077m from Level 2 to Level 1 of the fair value hierarchy. Nordea has also transferred debt securities in issue of EUR 2,827m from Level 1 to Level 2 and EUR 432m from Level 2 to Level 1. In addition, Nordea has transferred derivative assets of EUR 23m and derivative liabilities of EUR 17m from Level 2 to Level 1. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the period and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have again been actively traded during the period and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

Note 10 Continued

Movements in Level 3

| | | | | Fair value gains/losses recognised in the income statement during the year | | | | | | | |
|--|---------------|---------------|-----------------|---|----------------------|-------------|------------------|------------------------------|--------------------------------|-----------------------------------|-------------|
| | 1 Jan | Rea- lised | Un- realised | Recog- nised in OCI | Purchases/ Issues | Sales | Settle- ments | Transfers into Level 3 | Transfers out of Level 3 | Transla- tion diff- erences | 30 Jun |
| EURm | | | | | | | | | | | |
| Interest-bearing securities | 168 | -3 | 5 | - | 208 | -6 | -1 | 0 | 0 | -1 | 370 |
| - of which Life | 5 | - | - | - | 0 | - | - | - | 0 | -1 | 4 |
| Shares | 1,584 | 43 | 40 | - | 108 | -153 | -25 | 0 | 0 | -11 | 1,586 |
| - of which Life | 927 | 42 | 23 | - | 17 | -52 | -24 | 0 | 0 | -11 | 922 |
| Assets in pooled schemes and unit-linked investment contracts | 191 | 3 | -8 | - | 28 | -29 | 0 | 0 | - | -9 | 176 |
| - of which Life | 191 | 3 | -8 | - | 28 | -29 | 0 | 0 | - | -9 | 176 |
| Derivatives (net) | 453 | -130 | -135 | 1 | 0 | 0 | 130 | 0 | -52 | -34 | 233 |
| Debt securities in issue | 4,009 | -178 | -275 | 9 | 190 | 0 | -549 | 1 | - | - | 3,207 |
| Total 2018, net | -1,613 | 91 | 177 | -8 | 154 | -188 | 653 | -1 | -52 | -55 | -842 |
| Total 2017, net | 4,411 | -108 | 68 | - | 609 | -605 | 104 | 76 | -54 | -12 | 4,489 |

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

The valuation processes for fair value measurements in Level 3

For information about valuation processes for fair value measurement in Level 3, see the Annual report 2017 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 2017 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

| | 2018 | 2017 |
|---|-----------|-----------|
| EURm | | |
| Opening balance at 1 Jan | 58 | 23 |
| Deferred profit on new transactions | 34 | 39 |
| Recognised in the income statement during the period ¹ | -24 | -16 |
| Closing balance at 30 Jun | 68 | 46 |

¹ Of which EUR -m (EUR -2m) 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 | 335 | - | Discounted cash flows | Credit spread | -18/18 |
| Corporates | 35 | 4 | Discounted cash flows | Credit spread | -3/3 |
| Total 30 Jun 2018 | 370 | 4 | | | -21/21 |
| Total 31 Dec 2017 | 168 | 5 | | | -1/1 |
| Shares | | | | | |
| Private equity funds | 716 | 465 | Net asset value ³ | | -81/81 |
| Hedge funds | 49 | 34 | Net asset value ³ | | -4/4 |
| Credit funds | 410 | 209 | Net asset value/market consensus ³ | | -33/33 |
| Other funds | 225 | 158 | Net asset value/Fund prices ³ | | -19/19 |
| Other ⁵ | 362 | 232 | - | | -22/22 |
| Total 30 Jun 2018 | 1,762 | 1,098 | | | -159/159 |
| Total 31 Dec 2017 | 1,775 | 1,118 | | | -152/152 |
| Derivatives, net | | | | | |
| Interest rate derivatives | 281 | - | Option model | Correlations Volatilities | -13/12 |
| Equity derivatives | 48 | - | Option model | Correlations Volatilities | -11/6 |
| Foreign exchange derivatives | -17 | - | Option model | Dividends Correlations | -0/0 |
| Credit derivatives | -79 | - | Credit derivative model | Volatilities Correlations Volatilities | -24/29 |
| Total 30 Jun 2018 | 233 | - | | | -48/47 |
| Total 31 Dec 2017 | 453 | - | | | -41/33 |
| Debt securities in issue | | | | | |
| Issued structured bonds | 3,207 | - | Credit derivative model | Correlations Recovery rates Volatilities | -16/16 |
| Total 30 Jun 2018 | 3,207 | - | | | -16/16 |
| Total 31 Dec 2017 | 4,009 | - | | | -20/20 |

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 35% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are a range of 13% 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 2017, Note G40 "Assets and liabilities at fair value".

⁵ Of which EUR 176m 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

| | 30 Jun ³ 2018 | 31 Dec ³ 2017 | 30 Jun ³ 2017 |
|--|-----------------------------|-----------------------------|-----------------------------|
| EURm | | | |
| Calculation of own funds | | | |
| Equity in the consolidated situation | 30,329 | 31,799 | 30,452 |
| Proposed/actual dividend | -1,394 | -2,747 | -1,107 |
| Common Equity Tier 1 capital before regulatory adjustments | 28,935 | 29,052 | 29,345 |
| Deferred tax assets | -61 | 0 | |
| Intangible assets | -3,914 | -3,835 | -3,633 |
| IRB provisions shortfall (-) | -3 | -291 | -204 |
| Deduction for investments in credit institutions (50%) | | | |
| Pension assets in excess of related liabilities ¹ | -212 | -152 | -262 |
| Other items, net | -331 | -259 | -356 |
| Total regulatory adjustments to Common Equity Tier 1 capital | -4,521 | -4,537 | -4,455 |
| Common Equity Tier 1 capital (net after deduction) | 24,414 | 24,515 | 24,890 |
| Additional Tier 1 capital before regulatory adjustments | 2,836 | 3,514 | 2,870 |
| Total regulatory adjustments to Additional Tier 1 capital | -17 | -21 | -14 |
| Additional Tier 1 capital | 2,819 | 3,493 | 2,856 |
| Tier 1 capital (net after deduction) | 27,233 | 28,008 | 27,746 |
| Tier 2 capital before regulatory adjustments | 4,810 | 4,903 | 5,333 |
| IRB provisions excess (+) | 150 | 95 | 22 |
| Deduction for investments in credit institutions (50%) | | | |
| Deductions for investments in insurance companies | -1,000 | -1,205 | -1,205 |
| Pension assets in excess of related liabilities | | | |
| Other items, net | -60 | -54 | -52 |
| Total regulatory adjustments to Tier 2 capital | -910 | -1,164 | -1,235 |
| Tier 2 capital | 3,900 | 3,739 | 4,098 |
| Own funds (net after deduction) ² | 31,133 | 31,747 | 31,844 |

¹ Based on conditional FSA approval.

² Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 30 986m by 30 Jun 2018.

³ Including profit of the period.

Own Funds, excluding profit

| | 30 Jun 2018 | 31 Dec 2017 | 30 Jun 2017 |
|--|----------------|----------------|----------------|
| EURm | | | |
| Common Equity Tier 1 capital, excluding profit | 24,217 | 23,854 | 24,222 |
| Total Own Funds, excluding profit | 30,937 | 31,086 | 31,176 |

Note 11 **Continued**
Minimum capital requirement and REA

| | 30 Jun 2018 Minimum Capital requirement | 30 Jun 2018 REA | 31 Dec 2017 Minimum Capital requirement | 31 Dec 2017 REA | 30 Jun 2017 Minimum Capital requirement | 30 Jun 2017 REA |
|--|---|-----------------------|---|-----------------------|---|-----------------------|
| EURm | | | | | | |
| Credit risk | 8,048 | 100,604 | 8,219 | 102,743 | 8,485 | 106,058 |
| - of which counterparty credit risk | 504 | 6,305 | 488 | 6,096 | 579 | 7,242 |
| IRB | 7,076 | 88,453 | 7,104 | 88,808 | 7,526 | 94,073 |
| - sovereign | 161 | 2,012 | 149 | 1,869 | 179 | 2,236 |
| - corporate | 4,386 | 54,824 | 4,560 | 57,004 | 4,719 | 58,995 |
| - <i>advanced</i> | 3,588 | 44,851 | 3,774 | 47,173 | 3,780 | 47,254 |
| - <i>foundation</i> | 798 | 9,973 | 786 | 9,831 | 939 | 11,741 |
| - institutions | 504 | 6,297 | 493 | 6,163 | 656 | 8,198 |
| - retail | 1,739 | 21,747 | 1,671 | 20,888 | 1,685 | 21,063 |
| - <i>secured by immovable property collateral</i> | 981 | 12,266 | 934 | 11,678 | 957 | 11,965 |
| - <i>other retail</i> | 758 | 9,481 | 737 | 9,210 | 728 | 9,098 |
| - items representing securitisation positions | 68 | 847 | 68 | 850 | 66 | 821 |
| - other | 218 | 2,726 | 163 | 2,034 | 221 | 2,760 |
| Standardised | 972 | 12,151 | 1,115 | 13,935 | 959 | 11,985 |
| - central governments or central banks | 9 | 114 | 22 | 281 | 12 | 150 |
| - regional governments or local authorities | 1 | 8 | 1 | 7 | 0 | 0 |
| - public sector entities | 0 | 3 | 0 | 3 | 0 | 0 |
| - multilateral development banks | | | | | | |
| - international organisations | | | | | | |
| - institutions | 15 | 192 | 14 | 171 | 18 | 229 |
| - corporate | 255 | 3,188 | 261 | 3,264 | 149 | 1,862 |
| - retail | 261 | 3,266 | 258 | 3,225 | 253 | 3,161 |
| - secured by immovable property mortgages | 85 | 1,062 | 197 | 2,458 | 208 | 2,598 |
| - in default | 26 | 325 | 47 | 592 | 9 | 110 |
| - associated with particularly high risk | 65 | 807 | 60 | 754 | 53 | 657 |
| - covered bonds | | | | | | |
| - institutions and corporates, ST credit assessment | | | | | | |
| - collective investments undertakings (CIU) | | | | | | |
| - equity | 206 | 2,578 | 208 | 2,598 | 218 | 2,725 |
| - other items | 49 | 608 | 47 | 582 | 39 | 493 |
| Credit Value Adjustment Risk | 63 | 793 | 96 | 1,207 | 115 | 1,449 |
| Market risk | 313 | 3,908 | 282 | 3,520 | 272 | 3,396 |
| - trading book, Internal Approach | 218 | 2,723 | 196 | 2,444 | 170 | 2,118 |
| - trading book, Standardised Approach | 95 | 1,185 | 86 | 1,076 | 102 | 1,278 |
| - banking book, Standardised Approach | | | | | | |
| Operational risk | 1,319 | 16,487 | 1,345 | 16,809 | 1,345 | 16,809 |
| Standardised | 1,319 | 16,487 | 1,345 | 16,809 | 1,345 | 16,809 |
| Additional REA related to Finnish RW floor | 50 | 624 | | | | |
| Additional REA due to Article 3 CRR | 12 | 152 | 120 | 1,500 | 160 | 1,998 |
| Sub total | 9,805 | 122,568 | 10,062 | 125,779 | 10,377 | 129,710 |
| Adjustment for Basel I floor | | | | | | |
| Additional cap. req. according to Basel I floor ¹ | | | 6,132 | 76,645 | 6,330 | 79,127 |
| Total | 9,805 | 122,568 | 16,194 | 202,424 | 16,707 | 208,837 |

¹ The Basel I floor is no longer applicable due to the expiration of CRR Article 500 on December 31st 2017

Note 11 Continued

Minimum Capital Requirement & Capital Buffers

| Minimum Capital Requirement & Capital Buffers | | Capital Buffers | | | | | |
|---|-------------------|-----------------|------|-----|-------|------------------------------------|--------|
| | Minimum cap. req. | CCoB | CCyB | SII | SRB | Capital Buffers total ¹ | Total |
| Percentage | | | | | | | |
| Common Equity Tier 1 capital | 4.5 | 2.5 | 0.7 | 2.0 | 3.0 | 6.2 | 10.7 |
| Tier 1 capital | 6.0 | 2.5 | 0.7 | 2.0 | 3.0 | 6.2 | 12.2 |
| Own funds | 8.0 | 2.5 | 0.7 | 2.0 | 3.0 | 6.2 | 14.2 |
| EURm | | | | | | | |
| Common Equity Tier 1 capital | 5,516 | 3,064 | 909 | | 3,677 | 7,651 | 13,166 |
| Tier 1 capital | 7,354 | 3,064 | 909 | | 3,677 | 7,651 | 15,005 |
| Own funds | 9,805 | 3,064 | 909 | | 3,677 | 7,651 | 17,456 |

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

| | 30 Jun ¹ 2018 | 31 Dec ¹ 2017 | 30 Jun ¹ 2017 |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Percentage points of REA | | | |
| Common Equity Tier 1 capital | 15.4 | 15.0 | 14.7 |

¹ Including profit for the period.

| Capital ratios | 30 Jun 2018 | 31 Dec 2017 | 30 Jun 2017 |
|--|----------------|----------------|----------------|
| Percentage | | | |
| Common Equity Tier 1 capital ratio, including profit | 19.9 | 19.5 | 19.2 |
| Tier 1 capital ratio, including profit | 22.2 | 22.3 | 21.4 |
| Total capital ratio, including profit | 25.4 | 25.2 | 24.6 |
| Common Equity Tier 1 capital ratio, excluding profit | 19.8 | 19.0 | 18.7 |
| Tier 1 capital ratio, excluding profit | 22.1 | 21.7 | 20.9 |
| Total capital ratio, excluding profit | 25.2 | 24.7 | 24.0 |

| Leverage Ratio | 30 Jun ¹ 2018 | 31 Dec ¹ 2017 | 30 Jun ¹ 2017 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Tier 1 capital, transitional definition, EURm | 27,233 | 28,008 | 27,746 |
| Leverage ratio exposure, EURm | 548,944 | 538,338 | 593,799 |
| Leverage ratio, percentage | 5.0 | 5.2 | 4.7 |

¹ Including profit of the period.

| Capital requirements for market risk | Trading book, IM | | Trading book, SA | | Banking book, SA | | Total | |
|---|------------------|------------|------------------|-----------|------------------|-----------|--------------|------------|
| | REA | Cap. req. | REA | Cap. req. | REA | Cap. req. | REA | Cap. req. |
| Interest rate risk & other ¹ | 689 | 55 | 972 | 78 | | | 1,661 | 133 |
| Equity risk | 118 | 9 | 139 | 11 | | | 257 | 20 |
| Foreign exchange risk | 169 | 13 | | | | | 169 | 13 |
| Commodity risk | | | 74 | 6 | | | 74 | 6 |
| Settlement risk | | | 0 | 0 | | | 0 | 0 |
| Diversification effect | -456 | -36 | | | | | -456 | -36 |
| Stressed Value-at-Risk | 1,248 | 100 | | | | | 1,248 | 100 |
| Incremental Risk Measure | 271 | 22 | | | | | 271 | 22 |
| Comprehensive Risk Measure | 684 | 55 | | | | | 684 | 55 |
| Total | 2,723 | 218 | 1,185 | 95 | | | 3,908 | 313 |

¹ Interest rate risk column Trading book IA includes both general and specific interest rate risk which is elsewhere referred to as interest rate VaR and credit spread VaR.

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: | 66,419 | 5,515 | 75,218 | 990 | 2.7 |
| <i>of which</i> | | | | | |
| - rating grades 7 | 53,929 | 4,959 | 59,553 | 676 | 2.3 |
| - rating grades 6 | 11,672 | 447 | 15,044 | 249 | 2.0 |
| - rating grades 5 | 60 | | 91 | 19 | 4.6 |
| - rating grades 4 | 160 | 0 | 154 | 0 | 11.5 |
| - rating grades 3 | 305 | 27 | 204 | 2 | 27.7 |
| - rating grades 2 | 177 | 5 | 21 | 1 | 166.2 |
| - rating grades 1 | 86 | 17 | 7 | 2 | 142.7 |
| - unrated | 30 | 60 | 144 | 41 | 134.7 |
| - defaulted | | | | | |
| Corporate, foundation IRB: | 11,182 | 3,175 | 20,980 | 257 | 47.5 |
| <i>of which</i> | | | | | |
| - rating grades 6 | 1,375 | 172 | 4,510 | 3 | 15.5 |
| - rating grades 5 | 3,614 | 720 | 6,774 | 96 | 31.9 |
| - rating grades 4 | 3,550 | 1,272 | 6,554 | 106 | 59.9 |
| - rating grades 3 | 1,709 | 759 | 2,070 | 38 | 93.0 |
| - rating grades 2 | 412 | 94 | 447 | 7 | 160.1 |
| - rating grades 1 | 65 | 39 | 72 | 4 | 185.1 |
| - unrated | 307 | 68 | 347 | 2 | 119.1 |
| - defaulted | 150 | 51 | 206 | 1 | |
| Corporate, advanced IRB: | 99,497 | 52,932 | 122,254 | 25,307 | 36.7 |
| <i>of which</i> | | | | | |
| - rating grades 6 | 13,996 | 4,953 | 16,460 | 2,573 | 8.9 |
| - rating grades 5 | 27,431 | 23,275 | 38,734 | 11,442 | 22.7 |
| - rating grades 4 | 40,393 | 19,410 | 48,523 | 9,010 | 39.2 |
| - rating grades 3 | 10,034 | 3,568 | 11,167 | 1,779 | 60.7 |
| - rating grades 2 | 2,325 | 445 | 2,197 | 201 | 108.5 |
| - rating grades 1 | 451 | 124 | 431 | 55 | 117.5 |
| - unrated | 727 | 504 | 855 | 247 | 88.2 |
| - defaulted | 4,140 | 653 | 3,887 | | 132.6 |
| Institutions, foundation IRB: | 38,277 | 2,000 | 45,481 | 702 | 13.8 |
| <i>of which</i> | | | | | |
| - rating grades 6 | 16,456 | 468 | 18,301 | 272 | 7.8 |
| - rating grades 5 | 21,153 | 747 | 25,603 | 303 | 14.3 |
| - rating grades 4 | 429 | 493 | 1,212 | 42 | 61.3 |
| - rating grades 3 | 123 | 216 | 236 | 69 | 117.6 |
| - rating grades 2 | 56 | 72 | 63 | 16 | 217.2 |
| - rating grades 1 | 0 | 2 | 1 | 0 | 229.1 |
| - unrated | 60 | 2 | 65 | 0 | 74.6 |
| - defaulted | | | | | |
| Retail, of which secured by real estate: | 137,020 | 12,375 | 145,410 | 8,391 | 8.4 |
| <i>of which</i> | | | | | |
| - scoring grades A | 95,831 | 10,133 | 102,878 | 7,047 | 3.6 |
| - scoring grades B | 25,934 | 1,373 | 26,752 | 818 | 8.7 |
| - scoring grades C | 9,713 | 616 | 10,088 | 375 | 17.6 |
| - scoring grades D | 2,636 | 204 | 2,745 | 110 | 33.5 |
| - scoring grades E | 771 | 20 | 789 | 18 | 61.8 |
| - scoring grades F | 783 | 21 | 802 | 19 | 93.3 |
| - not scored | 44 | 3 | 45 | 1 | 35.2 |
| - defaulted | 1,308 | 5 | 1,311 | 3 | 172.1 |

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: | 24,951 | 14,372 | 34,109 | 9,059 | 27.8 |
| <i>of which</i> | | | | | |
| - scoring grades A | 7,822 | 8,139 | 13,014 | 5,170 | 8.2 |
| - scoring grades B | 5,899 | 3,350 | 8,040 | 2,118 | 16.4 |
| - scoring grades C | 3,564 | 1,408 | 4,499 | 921 | 28.1 |
| - scoring grades D | 2,524 | 748 | 3,011 | 481 | 37.4 |
| - scoring grades E | 2,805 | 291 | 2,990 | 180 | 40.8 |
| - scoring grades F | 1,435 | 125 | 1,515 | 78 | 62.2 |
| - not scored | 128 | 171 | 176 | 36 | 42.9 |
| - defaulted | 774 | 140 | 864 | 75 | 286.1 |
| Other non credit-obligation assets: | 3,289 | | 3,101 | | 87.9 |

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 - Condensed¹

| | 30 Jun 2018 | 31 Dec 2017 | 30 Jun 2017 |
|---|----------------|----------------|----------------|
| EURm | | | |
| Assets | | | |
| Loans to credit institutions | - | 394 | 31 |
| Loans to the public | 1,387 | - | 6,514 |
| Interest-bearing securities | - | 6,051 | 57 |
| Financial instruments pledged as collateral | - | 1,477 | 0 |
| Shares | - | 10,361 | 0 |
| Derivatives | 10 | 1,184 | 3 |
| Investments | - | 267 | 5 |
| Investment property | - | 1,879 | 37 |
| Other assets | 57 | 573 | 205 |
| Total assets held for sale | 1,454 | 22,186 | 6,852 |
| Liabilities | | | |
| Deposits by credit institutions | - | 643 | 21 |
| Deposits and borrowings from the public | 2,322 | - | 4,895 |
| Liabilities to policyholders | - | 23,316 | 0 |
| Derivatives | 5 | 810 | 1 |
| Current tax | - | 921 | 13 |
| Other liabilities | 4 | 341 | 87 |
| Total liabilities held for sale | 2,331 | 26,031 | 5,017 |

¹ Includes the external assets and liabilities held for sale.

Assets and liabilities held for sale as of 30 June 2018 relate to Nordea's earlier announced intention to divest part of its Luxembourg-based private banking business to UBS. The closing of the transaction is expected during the second half of 2018 and remain subject to applicable regulatory approvals and a number of conditions. The assets and liabilities held for sale will be derecognised from Nordea's balance sheet when all approvals have been received and the transaction has been closed. The disposal group is included in "Private Banking" in Note 2 "Segment reporting".

Assets and liabilities held for sale as of 31 December 2017 relate to Nordea's earlier announced decision to sell an additional 45 per cent of the shares in Danish Nordea Liv & Pension, livsforsikringselskab A/S. The transaction was closed, and the assets and liabilities held for sale derecognised from Nordea's balance sheet, during the second quarter 2018. The disposal group is included in "Life & Pension unallocated" in Note 2 "Segment reporting".

Assets and liabilities held for sale as of 30 June 2017 relate to Nordea's earlier announced decision to combine its Baltic operations with the Baltic operations of DNB. The assets and liabilities held for sale were derecognised from Nordea's balance sheet during the fourth quarter 2017. The disposal group is included in "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 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) measured at amortised cost.

Impairment rate (Stage 3), gross

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

Impairment rate (Stage 3), net

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

Total allowance rate (Stage 1, 2 and 3)

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

Allowances in relation to credit impaired loans (stage 3)

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

Allowance in relation to loans in stage 1 and 2

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

Economic capital

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

ROCAR

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

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

Nordea Bank AB (publ)

Income statement

| | Q2 2018 | Q2 2017 | Jan-Jun 2018 | Jan-Jun 2017 | Full year 2017 |
|---|---------------|---------------|-----------------|-----------------|-------------------|
| EURm | | | | | |
| Operating income | | | | | |
| Interest income | 1,008 | 1,059 | 1,987 | 2,103 | 4,155 |
| Interest expense | -414 | -431 | -918 | -937 | -1,824 |
| Net interest income | 594 | 628 | 1,069 | 1,166 | 2,331 |
| Fee and commission income | 589 | 605 | 1,142 | 1,234 | 2,409 |
| Fee and commission expense | -94 | -100 | -195 | -198 | -407 |
| Net fee and commission income | 495 | 505 | 947 | 1,036 | 2,002 |
| Net result from items at fair value | 232 | 304 | 497 | 631 | 1,104 |
| Dividends | 106 | 255 | 105 | 721 | 3,344 |
| Other operating income | 180 | 93 | 285 | 192 | 476 |
| Total operating income | 1,607 | 1,785 | 2,903 | 3,746 | 9,257 |
| Operating expenses | | | | | |
| General administrative expenses: | | | | | |
| Staff costs | -635 | -693 | -1,329 | -1,377 | -2,768 |
| Other expenses | -318 | -389 | -622 | -742 | -1,469 |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | -76 | -64 | -150 | -128 | -277 |
| Total operating expenses | -1,029 | -1,146 | -2,101 | -2,247 | -4,514 |
| Profit before loan losses | 578 | 639 | 802 | 1,499 | 4,743 |
| Net loan losses | -52 | -79 | -68 | -183 | -299 |
| Impairment of financial non-current assets | - | - | - | - | -385 |
| Operating profit | 526 | 560 | 734 | 1,316 | 4,059 |
| Appropriations | - | - | - | - | 2 |
| Income tax expense | -115 | -156 | -183 | -235 | -551 |
| Net profit for period | 411 | 404 | 551 | 1,081 | 3,510 |

Nordea Bank AB (publ)

Balance sheet

| | 30 Jun 2018 | 31 Dec 2017 | 30 Jun 2017 |
|---|----------------|----------------|----------------|
| EURm | | | |
| Assets | | | |
| Cash and balances with central banks | 33,101 | 42,637 | 56,905 |
| Treasury bills | 16,694 | 13,493 | 21,188 |
| Loans to credit institutions | 65,617 | 59,765 | 78,279 |
| Loans to the public | 161,065 | 152,739 | 162,584 |
| Interest-bearing securities | 46,421 | 47,950 | 49,226 |
| Financial instruments pledged as collateral | 14,382 | 12,430 | 11,262 |
| Shares | 7,312 | 7,883 | 10,734 |
| Derivatives | 43,936 | 47,688 | 54,359 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 63 | 85 | 69 |
| Investments in group undertakings | 12,512 | 12,532 | 12,920 |
| Investments in associated undertakings and joint ventures | 1,039 | 1,036 | 78 |
| Participating interest in other companies | 26 | 23 | 24 |
| Intangible assets | 2,209 | 2,114 | 1,919 |
| Property and equipment | 370 | 385 | 334 |
| Deferred tax assets | 81 | 84 | 40 |
| Current tax assets | 308 | 58 | 428 |
| Retirement benefit assets | 235 | 196 | 143 |
| Other assets | 19,542 | 15,316 | 16,936 |
| Prepaid expenses and accrued income | 1,250 | 1,128 | 1,259 |
| Total assets | 426,163 | 417,542 | 478,687 |
| Liabilities | | | |
| Deposits by credit institutions | 61,677 | 51,735 | 80,429 |
| Deposits and borrowings from the public | 182,806 | 176,231 | 197,769 |
| Debt securities in issue | 69,865 | 72,460 | 78,732 |
| Derivatives | 45,643 | 46,118 | 55,988 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 404 | 552 | 828 |
| Current tax liabilities | 321 | 158 | 7 |
| Other liabilities | 26,781 | 28,720 | 26,097 |
| Accrued expenses and prepaid income | 1,225 | 1,195 | 1,364 |
| Deferred tax liabilities | 28 | 174 | 265 |
| Provisions | 384 | 412 | 387 |
| Retirement benefit obligations | 254 | 262 | 276 |
| Subordinated liabilities | 8,574 | 8,987 | 9,202 |
| Total liabilities | 397,962 | 387,004 | 451,344 |
| Untaxed reserves | - | - | 2 |
| Equity | | | |
| Additional Tier 1 capital holders | 750 | 750 | - |
| Share capital | 4,050 | 4,050 | 4,050 |
| Development cost reserve | 1,444 | 1,205 | 883 |
| Share premium reserve | 1,080 | 1,080 | 1,080 |
| Other reserves | 61 | 166 | 9 |
| Retained earnings | 20,816 | 23,287 | 21,319 |
| Total equity | 28,201 | 30,538 | 27,341 |
| Total liabilities and equity | 426,163 | 417,542 | 478,687 |
| Assets pledged as security for own liabilities | 37,296 | 36,000 | 37,698 |
| Other assets pledged | 5,453 | 4,943 | 5,437 |
| Contingent liabilities | 52,224 | 54,130 | 56,984 |
| Commitments ¹ | 77,342 | 77,870 | 76,493 |

¹ Including unutilised portion of approved overdraft facilities of EUR 32,056m (31 Dec 2017: EUR 34,725m, 30 Jun 2017: EUR 34,651m).

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.

The same accounting policies and methods for computation are followed as compared with the Annual Report 2017, considering also the section "Changed accounting policies and presentation" below. For more information see Note P1 in the Annual Report 2017.

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 2018. The amendments have not had any significant impact on the financial statements.

In addition, the Swedish Financial Supervisory Authority has amended the accounting regulation FFS 2008:25 by issuing FFS 2017:18 and the Swedish Financial Reporting Board has amended the accounting recommendation for legal entities by issuing "RFR 2 Accounting for Legal Entities – January 2018". Those amendments were implemented by Nordea 1 January 2018 but have not had any significant impact on Nordea's financial statements.

Information on new and amended IFRS standards implemented on 1 January 2018 can be found in the section "Changed accounting policies and presentation" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company. Changes in own credit risk related to issued structured bonds in Markets are in the parent company recognised in the income statement and not, as stated in Note 1 for the Group, in Other comprehensive income.

Changes in IFRSs not yet applied

Information on forthcoming changes in IFRS not yet implemented can be found in the section "Changes in IFRSs not yet applied" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company. However, IFRS 16 "Leases" will not be applied in the parent company. Nordea will from 1 January 2019 apply the new requirements in RFR 2 for leasing contracts. The new requirements in RFR 2 will not have any significant impact on the financial statements, capital adequacy or large exposures in the period of initial application, as these policies are already applied by 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

| | 30 Jun 2018 | 31 Dec ³ 2017 | 30 Jun 2017 |
|--|----------------|-----------------------------|----------------|
| EURm | | | |
| Calculation of own funds | | | |
| Equity in the consolidated situation | 26,939 | 29,800 | 26,287 |
| Proposed/actual dividend | | -2,747 | |
| Common Equity Tier 1 capital before regulatory adjustments | 26,939 | 27,053 | 26,287 |
| Deferred tax assets | -61 | | |
| Intangible assets | -2,209 | -2,114 | -1,919 |
| IRB provisions shortfall (-) | -99 | -210 | -128 |
| Deduction for investments in credit institutions (50%) | | | |
| Pension assets in excess of related liabilities ¹ | -214 | -151 | -115 |
| Other items, net | -314 | -262 | -367 |
| Total regulatory adjustments to Common Equity Tier 1 capital | -2,897 | -2,737 | -2,529 |
| Common Equity Tier 1 capital (net after deduction) | 24,042 | 24,316 | 23,758 |
| Additional Tier 1 capital before regulatory adjustments | 2,836 | 3,514 | 2,869 |
| Total regulatory adjustments to Additional Tier 1 capital | -17 | -21 | -13 |
| Additional Tier 1 capital | 2,819 | 3,493 | 2,856 |
| Tier 1 capital (net after deduction) | 26,861 | 27,809 | 26,614 |
| Tier 2 capital before regulatory adjustments | 4,810 | 4,903 | 5,333 |
| IRB provisions excess (+) | 74 | 58 | 7 |
| Deduction for investments in credit institutions (50%) | | | |
| Deductions for investments in insurance companies | -1,000 | -1,205 | -1,205 |
| Pension assets in excess of related liabilities | | | |
| Other items, net | -59 | -54 | -51 |
| Total regulatory adjustments to Tier 2 capital | -985 | -1,201 | -1,249 |
| Tier 2 capital | 3,825 | 3,702 | 4,084 |
| Own funds (net after deduction) ² | 30,686 | 31,511 | 30,698 |

¹ Based on conditional FSA approval.

² Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 30 710m by 30 Jun 2018.

³ Including profit of the period.

Own Funds, including profit

| | 30 Jun 2018 | 31 Dec 2017 | 30 Jun 2017 |
|--|----------------|----------------|----------------|
| EURm | | | |
| Common Equity Tier 1 capital, including profit | 24,036 | 24,316 | 24,852 |
| Total Own Funds, including profit | 30,679 | 31,511 | 31,792 |

Note 2 Continued

Minimum capital requirement and REA

| | 30 Jun 2018 Minimum Capital requirement | 30 Jun 2018 REA | 31 Dec 2017 Minimum Capital requirement | 31 Dec 2017 REA | 30 Jun 2017 Minimum Capital requirement | 30 Jun 2017 REA |
|--|---|-----------------------|---|-----------------------|---|-----------------------|
| EURm | | | | | | |
| Credit risk | 8,082 | 101,024 | 8,292 | 103,656 | 8,870 | 110,877 |
| - of which counterparty credit risk | 507 | 6,343 | 477 | 5,963 | 579 | 7,238 |
| IRB | 5,808 | 72,601 | 5,884 | 73,553 | 6,335 | 79,190 |
| - sovereign | 153 | 1,916 | 141 | 1,759 | 166 | 2,079 |
| - corporate | 4,009 | 50,112 | 4,170 | 52,127 | 4,329 | 54,118 |
| - <i>advanced</i> | 3,632 | 45,403 | 3,785 | 47,318 | 3,796 | 47,457 |
| - <i>foundation</i> | 377 | 4,709 | 385 | 4,809 | 533 | 6,661 |
| - institutions | 518 | 6,479 | 510 | 6,379 | 669 | 8,360 |
| - retail | 975 | 12,188 | 955 | 11,942 | 1,006 | 12,577 |
| - <i>secured by immovable property collateral</i> | 279 | 3,494 | 245 | 3,065 | 272 | 3,396 |
| - <i>other retail</i> | 696 | 8,694 | 710 | 8,877 | 734 | 9,181 |
| - other | 153 | 1,906 | 108 | 1,346 | 165 | 2,056 |
| Standardised | 2,274 | 28,423 | 2,408 | 30,103 | 2,535 | 31,687 |
| - central governments or central banks | 5 | 64 | 17 | 209 | 8 | 98 |
| - regional governments or local authorities | | | | | | |
| - public sector entities | | | | | | |
| - multilateral development banks | | | | | | |
| - international organisations | | | | | | |
| - institutions | 651 | 8,132 | 581 | 7,259 | 619 | 7,735 |
| - corporate | 256 | 3,195 | 323 | 4,035 | 325 | 4,070 |
| - retail | 3 | 40 | 3 | 42 | 21 | 261 |
| - secured by immovable property mortgages | 0 | 0 | 114 | 1,420 | 196 | 2,448 |
| - in default | 0 | 0 | | | 3 | 42 |
| - associated with particularly high risk | 62 | 773 | 58 | 728 | 53 | 657 |
| - covered bonds | 55 | 692 | 56 | 705 | 64 | 801 |
| - institutions and corporates, ST credit assessment | | | | | | |
| - collective investments undertakings (CIU) | | | | | | |
| - equity | 1,241 | 15,508 | 1,255 | 15,687 | 1,245 | 15,565 |
| - other items | 1 | 19 | 1 | 18 | 1 | 10 |
| Credit Value Adjustment Risk | 62 | 782 | 94 | 1,182 | 113 | 1,420 |
| Market risk | 325 | 4,056 | 947 | 11,831 | 832 | 10,399 |
| - trading book, Internal Approach | 218 | 2,722 | 196 | 2,444 | 170 | 2,118 |
| - trading book, Standardised Approach | 107 | 1,334 | 94 | 1,179 | 111 | 1,388 |
| - banking book, Standardised Approach | | | 657 | 8,208 | 551 | 6,893 |
| Operational risk | 1,039 | 12,986 | 1,117 | 13,961 | 1,117 | 13,961 |
| Standardised | 1,039 | 12,986 | 1,117 | 13,961 | 1,117 | 13,961 |
| Additional REA related to Finnish RW floor | 0 | 0 | | | | |
| Additional REA due to Article 3 CRR | 5 | 62 | | | 74 | 923 |
| Sub total | 9,513 | 118,910 | 10,450 | 130,630 | 11,006 | 137,580 |
| Adjustment for Basel I floor | | | | | | |
| Additional cap. req. according to Basel I floor ¹ | | | 538 | 6,720 | 578 | 7,225 |
| Total | 9,513 | 118,910 | 10,988 | 137,350 | 11,584 | 144,805 |

¹ The Basel I floor is no longer applicable due to the expiration of CRR Article 500 on December 31st 2017

Note 2 Continued

Minimum Capital Requirement & Capital Buffers

| Minimum Capital Requirement & Capital Buffers | | Capital Buffers | | | | | |
|---|-------------------|-----------------|------|-----|-----|------------------------------------|--------|
| | Minimum cap. req. | CCoB | CCyB | SII | SRB | Capital Buffers total ¹ | Total |
| Percentage | | | | | | | |
| Common Equity Tier 1 capital | 4.5 | 2.5 | 0.8 | | | 3.3 | 7.8 |
| Tier 1 capital | 6.0 | 2.5 | 0.8 | | | 3.3 | 9.3 |
| Own funds | 8.0 | 2.5 | 0.8 | | | 3.3 | 11.3 |
| EURm | | | | | | | |
| Common Equity Tier 1 capital | 5,351 | 2,973 | 930 | | | 3,903 | 9,254 |
| Tier 1 capital | 7,135 | 2,973 | 930 | | | 3,903 | 11,037 |
| Own funds | 9,513 | 2,973 | 930 | | | 3,903 | 13,415 |

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

| | 30 Jun ¹ 2018 | 31 Dec ¹ 2017 | 30 Jun ¹ 2017 |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Percentage points of REA | | | |
| Common Equity Tier 1 capital | 15.7 | 14.1 | 12.8 |

¹ Including profit for the period.

| | 30 Jun 2018 | 31 Dec 2017 | 30 Jun 2017 |
|--|----------------|----------------|----------------|
| Capital ratios | | | |
| Percentage | | | |
| Common Equity Tier 1 capital ratio, including profit | 20.2 | 18.6 | 18.1 |
| Tier 1 capital ratio, including profit | 22.6 | 21.3 | 20.1 |
| Total capital ratio, including profit | 25.8 | 24.1 | 23.1 |
| Common Equity Tier 1 capital ratio, excluding profit | 20.2 | 18.0 | 17.3 |
| Tier 1 capital ratio, excluding profit | 22.6 | 20.7 | 19.3 |
| Total capital ratio, excluding profit | 25.8 | 23.5 | 22.3 |

| | 30 Jun ¹ 2018 | 31 Dec ¹ 2017 | 30 Jun ¹ 2017 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Leverage Ratio | | | |
| Tier 1 capital, transitional definition, EURm | 26,861 | 27,809 | 26,614 |
| Leverage ratio exposure, EURm | 472,158 | 463,779 | 523,133 |
| Leverage ratio, percentage | 5.7 | 6.0 | 5.1 |

¹ Including profit of the period.

| Capital requirements for market risk | Trading book, IM | | Trading book, SA | | Banking book, SA | | Total | |
|---|------------------|------------|------------------|------------|------------------|-----------|--------------|------------|
| | REA | Cap. req. | REA | Cap. req. | REA | Cap. req. | REA | Cap. req. |
| Interest rate risk & other ¹ | 688 | 55 | 1,121 | 90 | | | 1,809 | 145 |
| Equity risk | 118 | 9 | 139 | 11 | | | 257 | 20 |
| Foreign exchange risk | 169 | 13 | | | | | 169 | 13 |
| Commodity risk | | | 74 | 6 | | | 74 | 6 |
| Settlement risk | | | 0 | 0 | | | 0 | 0 |
| Diversification effect | -456 | -36 | | | | | -456 | -36 |
| Stressed Value-at-Risk | 1,248 | 100 | | | | | 1,248 | 100 |
| Incremental Risk Measure | 271 | 22 | | | | | 271 | 22 |
| Comprehensive Risk Measure | 684 | 55 | | | | | 684 | 55 |
| Total | 2,722 | 218 | 1,334 | 107 | | | 4,056 | 325 |

¹ Interest rate risk column Trading book IA includes both general and specific interest rate risk which is elsewhere referred to as interest rate VaR and credit spread VaR.

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: | 63,620 | 5,643 | 72,555 | 1,502 | 2.6 |
| <i>of which</i> | | | | | |
| - rating grades 7 | 51,750 | 5,235 | 57,527 | 1,176 | 2.3 |
| - rating grades 6 | 11,256 | 294 | 14,591 | 249 | 2.0 |
| - rating grades 5 | 60 | 0 | 91 | 19 | 4.6 |
| - rating grades 4 | 160 | 0 | 155 | 0 | 11.6 |
| - rating grades 3 | 110 | 27 | 12 | 3 | 77.0 |
| - rating grades 2 | 176 | 5 | 22 | 1 | 164.4 |
| - rating grades 1 | 86 | 16 | 10 | 2 | 205.2 |
| - unrated | 22 | 66 | 147 | 52 | 135.3 |
| - defaulted | | | | | |
| Corporate, foundation IRB: | 2,435 | 20 | 11,999 | 11 | 39.2 |
| <i>of which</i> | | | | | |
| - rating grades 6 | 775 | 0 | 3,872 | 0 | 15.5 |
| - rating grades 5 | 1,225 | 13 | 4,047 | 7 | 31.4 |
| - rating grades 4 | 284 | 7 | 3,194 | 4 | 60.7 |
| - rating grades 3 | 23 | | 569 | | 99.5 |
| - rating grades 2 | 38 | | 81 | | 156.1 |
| - rating grades 1 | | | 5 | | 206.3 |
| - unrated | 90 | | 151 | | 129.1 |
| - defaulted | | | 80 | | |
| Corporate, advanced IRB: | 80,349 | 63,793 | 113,337 | 35,144 | 40.1 |
| <i>of which</i> | | | | | |
| - rating grades 6 | 6,299 | 5,709 | 9,645 | 3,372 | 11.4 |
| - rating grades 5 | 21,560 | 25,856 | 35,723 | 14,112 | 23.9 |
| - rating grades 4 | 37,191 | 24,924 | 50,159 | 13,770 | 41.0 |
| - rating grades 3 | 8,958 | 4,832 | 11,296 | 2,978 | 64.6 |
| - rating grades 2 | 1,946 | 711 | 2,100 | 464 | 116.7 |
| - rating grades 1 | 351 | 170 | 382 | 102 | 125.0 |
| - unrated | 580 | 639 | 818 | 346 | 95.0 |
| - defaulted | 3,464 | 952 | 3,214 | | 130.7 |
| Institutions, foundation IRB: | 37,813 | 2,417 | 45,450 | 1,134 | 14.3 |
| <i>of which</i> | | | | | |
| - rating grades 6 | 16,051 | 844 | 17,992 | 368 | 7.9 |
| - rating grades 5 | 21,141 | 738 | 25,590 | 302 | 14.3 |
| - rating grades 4 | 396 | 525 | 1,498 | 360 | 60.6 |
| - rating grades 3 | 90 | 185 | 210 | 76 | 119.1 |
| - rating grades 2 | 56 | 72 | 63 | 16 | 217.2 |
| - rating grades 1 | 0 | 2 | 1 | 0 | 229.1 |
| - unrated | 79 | 51 | 96 | 12 | 102.1 |
| - defaulted | | | | | |
| Retail, of which secured by real estate: | 28,086 | 5,062 | 30,059 | 1,973 | 11.6 |
| <i>of which</i> | | | | | |
| - scoring grades A | 17,197 | 3,696 | 18,600 | 1,402 | 4.8 |
| - scoring grades B | 6,575 | 819 | 6,909 | 334 | 9.6 |
| - scoring grades C | 2,611 | 386 | 2,777 | 167 | 18.9 |
| - scoring grades D | 975 | 146 | 1,036 | 60 | 34.8 |
| - scoring grades E | 60 | 4 | 62 | 3 | 51.6 |
| - scoring grades F | 176 | 4 | 179 | 3 | 96.8 |
| - not scored | 30 | 2 | 31 | 1 | 39.0 |
| - defaulted | 462 | 5 | 465 | 3 | 179.4 |

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: | 16,615 | 21,537 | 34,174 | 17,466 | 25.4 |
| <i>of which</i> | | | | | |
| - scoring grades A | 5,513 | 12,775 | 16,046 | 10,512 | 9.3 |
| - scoring grades B | 4,215 | 4,987 | 8,293 | 4,055 | 17.5 |
| - scoring grades C | 2,325 | 2,034 | 3,957 | 1,619 | 30.0 |
| - scoring grades D | 1,405 | 796 | 1,968 | 558 | 40.0 |
| - scoring grades E | 1,821 | 411 | 2,142 | 317 | 43.4 |
| - scoring grades F | 781 | 194 | 943 | 161 | 67.4 |
| - not scored | 47 | 104 | 101 | 42 | 43.0 |
| - defaulted | 508 | 236 | 724 | 202 | 299.0 |
| Other non credit-obligation assets: | 2,251 | | 2,251 | | 84.7 |

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

For further information

- A press conference with management will be held on 19 July at 09.00 CET, at Smålandsgatan 17, Stockholm where Casper von Koskull, President and Group CEO, will present the results. The presentation will be conducted in English and can be viewed [live \(direct link\)](#). You can also find the presentation material at www.nordea.com/ir.
- After the results presentation, there will be a Q&A session (starting at approximately 09.30 with Christopher Rees, Group CFO and Rodney Alfvén, Head of Investor Relations); please dial +44(0) 330 336 9411 or +46(0) 8 5065 3942 or +358 (0) 9 7479 0404 confirmation code 3698162 no later than 08.50 CET.
- After the conference an indexed on-demand replay will be available [here](#). A replay will also be available until 26 July by dialing +44 (0) 207 660 0134 or +46 (0) 8 5199 3077 or +358 (0) 9 8171 0562, access code 3698162.
- An analyst and investor presentation will be held in London on 20 July at 12.30 local time at Nordea Offices, 5 Aldermanbury Square, London, EC2V 7AZ where Casper von Koskull, President and Group CEO, Christopher Rees, Group CFO, Rodney Alfvén, Head of Investor Relations and Pawel Wyszynski, Senior IR Officer, will participate.
- The presentation, including Q&A, is expected to last approximately one hour.
- To attend please contact: Ruby Megran at Nordea via e-mail: ruby.megran@nordea.com
- This Interim report, an investor presentation and a fact book are available on www.nordea.com.

Contacts

Casper von Koskull

President and Group CEO
+46 10 157 10 20

Christopher Rees

Group CFO
+ 45 55 47 23 77

Rodney Alfvén

Head of Investor Relations
+46 72 235 05 15

Sara Helweg-Larsen

Head of Group Communications
+45 22 14 00 00

Financial calendar

24 October 2018 – Third Quarter Report 2018 (silent period starts 5 October 2018)

The Board of Directors and the President and Group CEO certify that this interim report provides a fair overview of the Parent Company's and the Group's operations, their financial position and result, and describes material risks and uncertainties that the Parent Company and other companies in the Group are facing.

Björn Wahlroos
Chairman

Lars G Nordström
Vice Chairman

Dorrit Groth Brandt
Board member¹

Pernille Erenbjerg
Board member

Nigel Hinshelwood
Board member

Robin Lawther
Board member

Torbjörn Magnusson
Board member

Gerhard Olsson
Board member¹

Hans Christian Riise
Board member¹

Sarah Russell
Board member

Silvija Seres
Board member

Birger Steen
Board member

Maria Varsellona
Board member

19 July 2018

Casper von Koskull
President and Group CEO

¹ Employee representative

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

The information provided in this press release is such, which Nordea is required to disclose pursuant to the Swedish Financial Instruments Trading Act (1991:980) and/or the Swedish Securities Markets Act (2007:528).

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

Nordea Bank AB (publ) • Smålandsgatan 17 • SE-105 71 Stockholm • www.nordea.com/ir • Tel. 08 614 7800 • Corporate registration No. 516406-0120

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information of Nordea Bank AB (publ) as of 30 June 2018 and the six-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this half-year interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-year interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, regarding the Group, and with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, regarding the parent company.

Stockholm, 19 July 2018
Öhrlings PricewaterhouseCoopers AB

Peter Clemetson
Authorised Public Accountant
Lead Partner

Catarina Ericsson
Authorised Public Accountant

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: | <i>This summary should be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member States, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. No civil liability will attach to the 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.</i> |
| A.2 | Consent: | <p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "Public Offer".</p> <p><i>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</i></p> <p><i>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")</i></p> |

| | | |
|--|--|---|
| | | <i>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.</i> |
| | | 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 (<i>publ</i>) 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: | <p>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.</p> <p>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"). On 15 March 2018, the annual general meeting of NBAB's shareholders approved the proposed Merger.¹</p> <p>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.</p> <p>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.</p> |
| 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 |

¹ By virtue of the supplement dated 21 March 2018, the words "On 15 March 2018, the annual general meeting of NBAB's shareholders approved the proposed Merger." have been included.

| | | <p>ended 31 December 2016² and the auditors' reports and notes thereto set out in the Base Prospectus and unaudited consolidated financial statements for the six months ended 30 June 2018 set out in the Annexes to this Supplement.³</p> <p>Selected key financial information:</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|------------------------|---------|--|--|--|--|--------------------------|--|------------------------|--|--|------|------|------|------|--|-------------|--|-------------|--|--|----------------|--|--|--|-------------------------|--|--|--|--|------------------------------|-------|-------|-------|-------|-----------------------|-----|------|------|------|---------------------------------|-------|-------|-------|-------|----------------------|--|--|--|--|--------------------|---------|---------|---------|---------|-------------------------|---------|---------|---------|---------|--------------------|--------|--------|--------|--------|------------------------------------|---------|---------|---------|---------|----------------------------|--|--|--|--|--|-------|-------|-------|-------|---|--------|--------|--------|-------|---|-----|------|--------|------|---|--------|--------|--------|--------|--------------------------------|--------|--------|-------|-----|--------------|--------|--------|-------|-----|
| | | <table><tr><th></th><th colspan="4">Group</th></tr><tr><th></th><th colspan="2">Six months ended 30 June</th><th colspan="2">Year ended 31 December</th></tr><tr><th></th><th>2018</th><th>2017</th><th>2017</th><th>2016</th></tr><tr><th></th><th colspan="2">(Unaudited)</th><th colspan="2">(Unaudited)</th></tr><tr><th></th><th colspan="4">(EUR millions)</th></tr><tr><td colspan="5">Income Statement</td></tr><tr><td>Total operating income</td><td>4,856</td><td>4,868</td><td>9,469</td><td>9,927</td></tr><tr><td>Net loan losses</td><td>-99</td><td>-219</td><td>-369</td><td>-502</td></tr><tr><td>Net profit for the period</td><td>1,905</td><td>1,587</td><td>3,048</td><td>3,766</td></tr><tr><td colspan="5">Balance Sheet</td></tr><tr><td>Total assets</td><td>570,053</td><td>642,756</td><td>581,612</td><td>615,659</td></tr><tr><td>Total liabilities</td><td>538,108</td><td>611,361</td><td>548,296</td><td>583,249</td></tr><tr><td>Total equity</td><td>31,945</td><td>31,395</td><td>33,316</td><td>32,410</td></tr><tr><td>Total liabilities and equity</td><td>570,053</td><td>642,756</td><td>581,612</td><td>615,659</td></tr><tr><td colspan="5">Cash Flow Statement</td></tr><tr><td>Cash flow from operating activities before changes in operating assets and liabilities</td><td>2,886</td><td>3,194</td><td>6,562</td><td>7,565</td></tr><tr><td>Cash flow from operating activities</td><td>-4,548</td><td>31,629</td><td>12,274</td><td>3,280</td></tr><tr><td>Cash flow from investing activities</td><td>209</td><td>-549</td><td>-1,499</td><td>-934</td></tr><tr><td>Cash flow from financing activities</td><td>-3,268</td><td>-3,377</td><td>-2,637</td><td>-1,553</td></tr><tr><td>Cash flow for the period</td><td>-7,607</td><td>27,703</td><td>8,138</td><td>793</td></tr><tr><td>Change</td><td>-7,607</td><td>27,703</td><td>8,138</td><td>793</td></tr></table> <p>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.</p> | | Group | | | | | Six months ended 30 June | | Year ended 31 December | | | 2018 | 2017 | 2017 | 2016 | | (Unaudited) | | (Unaudited) | | | (EUR millions) | | | | Income Statement | | | | | Total operating income | 4,856 | 4,868 | 9,469 | 9,927 | Net loan losses | -99 | -219 | -369 | -502 | Net profit for the period | 1,905 | 1,587 | 3,048 | 3,766 | Balance Sheet | | | | | Total assets | 570,053 | 642,756 | 581,612 | 615,659 | Total liabilities | 538,108 | 611,361 | 548,296 | 583,249 | Total equity | 31,945 | 31,395 | 33,316 | 32,410 | Total liabilities and equity | 570,053 | 642,756 | 581,612 | 615,659 | Cash Flow Statement | | | | | Cash flow from operating activities before changes in operating assets and liabilities | 2,886 | 3,194 | 6,562 | 7,565 | Cash flow from operating activities | -4,548 | 31,629 | 12,274 | 3,280 | Cash flow from investing activities | 209 | -549 | -1,499 | -934 | Cash flow from financing activities | -3,268 | -3,377 | -2,637 | -1,553 | Cash flow for the period | -7,607 | 27,703 | 8,138 | 793 | Change | -7,607 | 27,703 | 8,138 | 793 |
| | Group | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Six months ended 30 June | | Year ended 31 December | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2018 | 2017 | 2017 | 2016 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (Unaudited) | | (Unaudited) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | (EUR millions) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Income Statement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total operating income | 4,856 | 4,868 | 9,469 | 9,927 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net loan losses | -99 | -219 | -369 | -502 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net profit for the period | 1,905 | 1,587 | 3,048 | 3,766 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Balance Sheet | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total assets | 570,053 | 642,756 | 581,612 | 615,659 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total liabilities | 538,108 | 611,361 | 548,296 | 583,249 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total equity | 31,945 | 31,395 | 33,316 | 32,410 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total liabilities and equity | 570,053 | 642,756 | 581,612 | 615,659 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash Flow Statement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash flow from operating activities before changes in operating assets and liabilities | 2,886 | 3,194 | 6,562 | 7,565 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash flow from operating activities | -4,548 | 31,629 | 12,274 | 3,280 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash flow from investing activities | 209 | -549 | -1,499 | -934 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash flow from financing activities | -3,268 | -3,377 | -2,637 | -1,553 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash flow for the period | -7,607 | 27,703 | 8,138 | 793 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Change | -7,607 | 27,703 | 8,138 | 793 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | <p>There has been no significant change in the financial or trading position of the Issuer which has occurred since 30 June 2018⁴, being the date of its last published financial statements.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.13 | Recent Events: | <p>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.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B.14 | Dependence upon other entities within the Group: | <p>Not Applicable. The Issuer is not dependent upon other entities within the Nordea Group.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

² By virtue of the supplement dated 13 February 2018, selected key unaudited financial 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.

³ By virtue of the supplement dated 31 July 2018, information for the three months ended 31 March 2018 and 31 March 2017 has been deleted and information for the six months ended 30 June 2018 and 30 June 2017 has been inserted.

⁴ By virtue of the supplement dated 31 July 2018, the date to which there has been no significant change in the financial or trading position of the Issuer has been updated to 30 June 2018, being the date of its last published unaudited financial statements.

| | | |
|-------------|---|---|
| B.15 | The Issuer's Principal Activities: | <p>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.</p> <p>NBAB conducts banking operations in Sweden within the scope of the Nordea Group's business organisation. NBAB develops and markets financial products and services to personal customers, corporate customers and the public sector.</p> |
| 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: | <p>As of the date of this Base Prospectus, the long term (senior) debt ratings of the Issuer are:</p> <p>Moody's Investors Service Limited: Aa3</p> <p>Standard & Poor's Credit Market Services Europe Limited: AA-</p> <p>Fitch Ratings Limited: AA-</p> <p>DBRS Ratings Limited: AA (low)</p> <p>The Issuer's credit ratings do not always mirror the risk related to individual Notes issued under the Programme.</p> <p><i>The Issuer has not solicited a credit rating in respect of the Notes</i></p> |

| Section C – The Notes | | | | | | | | | | | |
|-----------------------|--|--|-------------------|--------|---------|------|------|------|------|------|------|
| C.1 | Description of Type and Class of Securities: | <p>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.</p> <p><i>The Series number of the Notes is [[•]/see table below]. [The Tranche number is [[•]/see table below].</i></p> <table> <tr> <th>Name/trading code</th><th>Series</th><th>Tranche</th></tr> <tr> <td>[[•]</td><td>[[•]</td><td>[[•]</td></tr> <tr> <td>[[•]</td><td>[[•]</td><td>[[•]</td></tr> </table> <p>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.</p> <p><i>The Notes are in bearer form/The Notes are in registered Form.</i></p> <p>Notes may be specified in the applicable Final Terms as "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.</p> <p>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 Depository (<i>Verdipapirsentralen ASA</i> and referred to herein as the "VPS").</p> <p>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.</p> <p>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</p> | Name/trading code | Series | Tranche | [[•] | [[•] | [[•] | [[•] | [[•] | [[•] |
| Name/trading code | Series | Tranche | | | | | | | | | |
| [[•] | [[•] | [[•] | | | | | | | | | |
| [[•] | [[•] | [[•] | | | | | | | | | |

| | | 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. | | | | | | |
|-------------|-----------------------------------|---|-------------|-------------|-----|-----|-----|-----|
| | | <i>Swiss Franc Notes:</i> Swiss Franc Notes will be denominated in Swiss francs, issued in bearer form and will be represented exclusively by a Permanent Global Note which shall be deposited with SIX SIS AG, Olten, Switzerland, or such other depositary as may be approved by the SIX Regulatory Board of the SIX Swiss Exchange. The Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances. | | | | | | |
| | | <p>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.</p> <p><i>The Notes will be cleared and settled through [•]. The Notes have been assigned the following securities identifiers: [•].</i></p> <table><tr><th><u>Name</u></th><th><u>ISIN</u></th></tr><tr><td>[•]</td><td>[•]</td></tr><tr><td>[•]</td><td>[•]</td></tr></table> | <u>Name</u> | <u>ISIN</u> | [•] | [•] | [•] | [•] |
| <u>Name</u> | <u>ISIN</u> | | | | | | | |
| [•] | [•] | | | | | | | |
| [•] | [•] | | | | | | | |
| C.2 | Currency of the Securities Issue: | 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. | | | | | | |
| | | <i>The currency of the Notes is [•].</i> | | | | | | |
| C.5 | Free Transferability: | <p>This Base Prospectus contains a summary of certain selling restrictions in the United States, the European Economic Area, the United Kingdom, Denmark, Finland, The Netherlands, Norway, Sweden, Spain, Japan and Singapore.</p> <p>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.</p> <p>In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, including the Kingdom of Sweden (each, a "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.</p> | | | | | | |

| | | |
|--|--|---|
| | | <p>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.</p> |
| | | <p>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: <i>Værdipapirhandelsloven</i>), 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: <i>Kapitalmarkedsloven</i>), and Executive Orders issued thereunder.</p> <p>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.</p> <p>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 (<i>personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers</i>), and/or (b) qualified investors (<i>investisseurs qualifiés</i>) all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French Code <i>monétaire et financier</i>.</p> <p>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 (<i>väärtpaberturu seadus</i>), and all applicable regulations and guidelines with respect to anything done by it in relation to any Notes in, from or otherwise involving Estonia.</p> <p>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.</p> <p>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</p> |

| | | |
|--|--|---|
| | | <p>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 (<i>Finanšu instrumentu tirgus likums</i>) and any regulation or rule made thereunder, as supplemented and amended from time to time.</p> |
| | | <p>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: <i>Arvopaperimarkkinalaki</i>) and any regulation or rule made thereunder, as supplemented and amended from time to time.</p> <p>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.</p> <p>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 (<i>oferta pública</i>) in Spain in accordance with the Recast Text of the Securities Market Law (<i>Texto Refundido de la Ley, del Mercado de Valores</i>) 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.</p> <p>The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "FIEA") and each 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.</p> |
| | | <p>Zero Coupon Notes in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of the Issuer or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (<i>Wet inzake spaarbewijzen</i>) of 21 May 1985 (as amended) and its implementing regulations.</p> <p>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</p> |

| | | |
|-----|--|--|
| | | <p>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.</p> <p>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.</p> |
| C.8 | <p>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</p> | <p>Status of the Notes: The Notes constitute unsecured and unsubordinated obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.</p> <p>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.</p> <p><i>The Notes are issued in denomination(s) of [•].</i></p> <p>Negative Pledge: None.</p> <p>Cross Default: None.</p> <p>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.</p> <p>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.</p> <p><i>The Notes are governed by [English law/ Finnish law/ Danish law/ Swedish law/ Norwegian law].</i></p> <p>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").</p> |

| | | |
|-----|--|---|
| C.9 | <p>The Rights Attaching to the Securities (Continued), Including Information as to Interest, Maturity, Yield and the Representative of the Holders:</p> | <p>Interest: Notes may be interest bearing or non-interest bearing. Interest (if any) may:</p> <ul style="list-style-type: none"> • 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"). <p>The applicable interest rate or its method of calculation may differ from time to time or be constant for any Series of Notes. Notes may have a maximum interest rate, a minimum interest rate, or both. The length of the interest periods for the Notes may also differ from time to time or be constant for any Series of Notes. Notes may also bear interest on the basis of a combination of different structures.</p> <p><i>Interest Deferral:</i> 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.</p> <p><i>FX Components:</i> 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.</p> |
|-----|--|---|

| | | |
|--|--|---|
| | | <p>[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: [•]]</p> <p>The Notes do not bear interest./The Notes are interest-bearing:</p> <p>Interest basis: [•]</p> <p>Nominal interest rate: [•].</p> <p>Interest Commencement Date: [•].</p> <p>Interest Payment Date(s): [•].</p> <p>Interest Deferral: [Applicable/Not Applicable]</p> <p>Description of underlying Reference Rate/Reference Asset(s): [•].]</p> <p>Information about the past and further performance of the Reference Rate/Reference Asset(s) can be obtained from: [•].</p> <p>[Margin: +/- [•].]</p> <p>[Maximum Rate of Interest: [•].]</p> <p>[Minimum Rate of Interest: [•].]</p> <p>[Day Count Fraction: [•].]</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> |
|--|--|---|

| | | |
|--|--|--|
| | | <p>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.</p> |
| | | <p>Where one of the "Autocallable" performance structures applies, if the return generated by the Basket or particular Reference Asset(s) is at or above a pre-determined 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.</p> <p>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.</p> <p><i>Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at [par/their Redemption Amount of [•] per Calculation Amount/an amount calculated in accordance with the performance structure[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]</i></p> <p><i>The Redemption Date is [•]/The Notes are redeemable in Instalments on [•]/The Alternative Additional Amount Payment Date is [•].</i></p> <p>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.</p> <p><i>The Issue Price of the Notes is: [•].</i></p> <p>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.</p> <p><i>Based upon the Issue Price of [•], at the Issue Date the anticipated yield of the Notes is [•] per cent. per annum.</i></p> <p>Representative of the Noteholders: Not Applicable. There is no representative appointed to act on behalf of the Noteholders.</p> |
| | | <p>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</p> |

| | | |
|-------------|-------------------------------|---|
| | | 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: |
| | | <p><i>[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.]</i></p> <p><i>["Basket Long" structure:</i> 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.]</p> <p><i>[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.]</i></p> <p><i>["Basket Short" structure:</i> 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.]</p> <p><i>[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.]</i></p> <p><i>[[The Basket Return is determined on the ["Basket Long"/"Basket Short"] basis/The Basket Return is Not Applicable]]</i></p> |
| | | <p><i>["Barrier outperformance" structure:</i> 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.]</p> <p><i>["Barrier underperformance" structure:</i> the performance of the Basket falls below a specified barrier level, the Additional Amount will be a pre-</p> |

| | | |
|--|--|--|
| | | <p>determined maximum Basket return. If the specified barrier level is not breached, the Additional Amount will be zero.]</p> <p><i>["Best of/Worst of" Barrier Outperformance" Structure:</i> This is the same as the "Barrier Outperformance" Structure, save that the observation of the barrier level and the calculation of the 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.]</p> |
| | | <p><i>["Best of/Worst of" Barrier Underperformance" Structure:</i> This is the same as the "Barrier Underperformance" Structure, save that the observation of the barrier level and the calculation of the Additional Amount will be determined by reference to the performance of the Nth best performing Reference Asset rather than the Basket as a whole.]</p> <p><i>["Autocallable Structure – Long":</i> 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.]</p> <p><i>["Autocallable Structure – Short":</i> this structure is similar to the "Autocallable Structure – Long", with the difference being that the positive performance of the Reference Assets within the Basket will have a negative impact on the return on the Notes.]</p> <p><i>["Replacement Basket" structure:</i> 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.]</p> <p><i>["Locally Capped Basket" structure:</i> 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.]</p> |
| | | <p><i>["Rainbow Basket" structure:</i> 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.]</p> |

| | | |
|--|--|--|
| | | <p><i>["Booster" structures:</i> Booster structures have an enhanced positive or negative return, based on the performance of the underlying Reference Asset(s). The investor's exposure to the performance of the Reference Assets may be increased or decreased through the application of different participation ratios. [In a "Booster Long" Structure, the positive performance of the Reference Assets will have a positive effect on the return on the Notes.][In a "Booster Short" Structure, the positive performance of the Reference Asset will have a negative effect on the return on the Notes.]]</p> |
| | | <p><i>["Booster Risk Barrier Long" structure:</i> 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.]</p> <p><i>["Booster Risk Barrier Short" structure:</i> 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.]</p> <p><i>[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:]</i></p> |

| | | |
|--|--|--|
| | | <ul style="list-style-type: none"> ["<i>Booster Risk Barrier Short</i>" 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.] |
| | | <ul style="list-style-type: none"> ["<i>Booster Risk Barrier Long</i>" 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.] <p>[The Notes [are/are not] issued on the basis of the December 2013 Conditions]</p> <p>["<i>Twin Win</i>" 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.]</p> <p>["<i>Bonus Booster Short</i>" 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.]</p> |

| | | |
|--|--|---|
| | | <p>["<i>Bonus Booster Long</i>" 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.]</p> <p>["<i>Cliquet</i>" 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.</p> <p>["<i>Reverse Cliquet</i>" 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.]</p> |
| | | <p>["<i>Replacement Cliquet</i>" 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.]</p> |
| | | <p>["<i>Reverse Replacement Cliquet</i>" 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.]</p> <p>["<i>Rainbow Replacement Cliquet</i>" 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.]]</p> <p>["<i>Reverse Convertible</i>" 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.]</p> |

| | | |
|--|--|---|
| | | <p><i>["Reverse Convertible Risk Barrier" structure:</i> 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.</p> <p><i>["Best of/Worst of Reverse Convertible" structure:</i> 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).]</p> <p><i>[Worst of Call Option:</i> The Worst of Call Option Structure gives the Holder an exposure to the worst performing Reference Asset in the Basket. The Additional Amount payable to the Holder will be the greater of zero, and the Reference Asset Return of the worst performing Reference Asset.]</p> <p><i>[Outperformance Option:</i> 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.]</p> |
| | | <p><i>["Non-Tranched CLN" and "Tranched CLN" structures:</i> the Redemption Amount and, if relevant, interest payments, are based on the weighted losses in the same or different portfolios of Reference Entities as a result of the occurrence of one or more Credit Events. For Tranched CLNs, the occurrence of a Credit Event may have no impact or a more proportional impact on the Redemption Amount and, if relevant, interest payments. The Tranche feature is used to determined the portion of losses to which a Holder will be exposed in the event of a Credit Event affecting one or more Reference Entities.]</p> |
| | | <p><i>["Nth to Default" and "Nth and Nth+1 to Default" structures:</i> the Redemption Amount and, if relevant, interest payments, are based on the number and the order of Credit Events in the same Reference Entity portfolio. For Nth to Default CLNs, while the occurrence of the N-1 Credit Events has no impact on the Redemption Amount and (if any) interest payments, the Nth Credit Event will have a more than proportional impact on these figures. Similarly, for the Nth and Nth+1 to Default CLNs, the impact of the Nth and Nth+1 Credit Events will have a more than proportional impact.]</p> |

| | | |
|--|--|--|
| | | <p>[<i>Option CLN</i>: 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.]</p> <p>[<i>Mark to Market CDS Structure</i>: 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.]</p> <p>[<i>Digital Long</i>: 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.]</p> <p>[<i>Digital Short</i>: 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.]</p> |
| | | <p>[<i>"Best of/Worst" of digitals</i>: 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 Nth best performing Reference Asset rather than the Basket as a whole.]</p> |
| | | <p>[<i>Worst of Digital Memory Coupon 1</i>: 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).]</p> |
| | | <p>[<i>"Series of Digitals"</i>: 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.]</p> |
| | | <p>[<i>"Delta 1 Structure"</i>: the Redemption Amount will be equal to the redemption proceeds received by the Issuer (or another entity within the</p> |

| | | |
|--|--|--|
| | | <p>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.]</p> <p>["<i>Inflation Linker</i>": 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.]</p> <p>["<i>Barrier outperformance</i>" 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 of the Basket Return and 1 does not exceed the barrier level on any Valuation Date, the Additional Amount will be zero.]</p> <p>["<i>Barrier Underperformance</i>" 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.]</p> |
| | | <p>[<i>Target Volatility Structure</i>: 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:</p> <ul style="list-style-type: none"> (i) the short term historical volatility of the underlying Basket; and (ii) a target volatility level (the "Target Volatility"), <p>subject to a pre-determined cap or floor.</p> <p>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.]</p> |
| | | <p>[<i>Booster Risk Barrier 2</i>: 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</p> |
| | | <p>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).]</p> |

| | | |
|--|--|---|
| | | <p>[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.]</p> <p>[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.]</p> <p>[[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.]</p> |
| | | <p>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 known 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).]</p> |
| | | <p>[<i>"In" and "Out" Option structure: [In Option- Basket Long/In Option – Basket Short/Out Option – Basket Long/Out Option – Basket Short/Not Applicable]</i></p> <p><i>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]</i></p> |
| | | <p><i>The applicable performance structure(s) is/are: [•].</i></p> <p><i>[The underlying Basket Return Structure is the Basket Long/Basket Short Structure]/[Not applicable]]</i></p> |
| | | <p><i>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</i></p> |

| | | |
|--|--|---|
| | | <p>Strike Level is take into account when determining the relevant Reference Asset Return.</p> <p><i>[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]</i></p> <p><i>Best of/Worst of Modifier:</i> if the Best Of/Worst Of Modifier is applied to one or more performance structures set out above, then the relevant observations, valuations and calculations of the 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.</p> <p><i>[The Best of/Worst of Modifier is Applicable and the value of N is: [•]/Not Applicable]</i></p> <p><i>Lookback Initial Price Modifier:</i> 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.</p> <p><i>[The Lookback Initial Price Modifier is Applicable/Not Applicable]</i></p> <p><i>Lookback Final Price Modifier:</i> 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.</p> <p><i>[The Lookback Final Price Modifier is Applicable/Not Applicable]</i></p> |
| | | <p><i>Lock-in Modifier:</i> 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.</p> <p><i>[The Lock-in Modifier is Applicable/Not Applicable]</i></p> |
| | | <p><i>Combination of Structures:</i> the Issuer may elect to combine one or more of the performance structures described above in relation to a particular issue of Notes. 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.</p> |
| | | <p><i>[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.]</i></p> |

| | | |
|--|--|--|
| | | <p><i>Maximum Redemption Amount:</i> 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.</p> <p><i>[Maximum Redemption Amount is Not Applicable/The Maximum Redemption Amount is [•]]</i></p> <p><i>"Minimum Redemption Amount":</i> if a minimum redemption amount is applicable, the Redemption Amount will be the greater of (i) the amount calculated in accordance with one of the performance structures outlined above and (ii) a pre-determined minimum redemption amount as specified in the Final Terms.</p> <p><i>[Minimum Redemption Amount is Not Applicable/the Minimum Redemption Amount is [•]]</i></p> <p><i>[Maximum and Minimum Redemption Amount:</i> 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.]</p> <p><i>"Inflation-Protected Principal":</i> 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.</p> <p><i>[Inflation-Protected Principal is Applicable/Inflation-Protected Principal is Not Applicable]</i></p> |
| | | <p><i>TOM Cumulative Strategy:</i> 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.</p> <p>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.</p> |
| | | <p><i>The TOM Cumulative Strategy is [Applicable/Not Applicable]</i></p> <p><i>Lock-in Basket Floor:</i> 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.</p> <p><i>The Lock-in Basket Floor is [Applicable/Not Applicable]</i></p> |

| | | |
|-------------------|--|---|
| C.11 C.21 | Listing and Trading: | <p>Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin")⁵ and to listing 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.</p> <p><i>The Notes are unlisted Notes/Application will be made for the Notes to be admitted to listing on [•] and to trading on [•] effective as of [•].</i></p> |
| C.15 ⁶ | Value of the Notes and Value of the Underlying: | <p>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.</p> <p><i>Details of the applicable performance structure(s) and the return on the Notes are set out in Element C.10.</i></p> |
| | | <p>The structure of the Notes may contain a Participation Ratio 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.</p> <p><i>The [indicative] Participation Ratio is: [•]</i></p> <p><i>[The [indicative] Participation Ratio 2 is: [•]]</i></p> |
| C.16 | Exercise Date or Final Reference Date: | <p>Subject to early redemption, the exercise date (or the final Redemption Date) will be the maturity date of the Notes.</p> <p><i>The maturity date of the Notes is: [•]</i></p> |
| C.17 | Settlement Procedure: | <p>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.</p> <p><i>[The Valuation Date(s) [and the related Averaging Dates] are: [•]]</i></p> <p><i>[The Observation Date(s) [and the related Averaging Dates] are: [•]]</i></p> <p>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</p> |

⁵ By virtue of the supplement dated 31 July 2018, reference to "the Irish Stock Exchange" has been deleted and reference to "the Irish Stock Exchange plc trading as Euronext Dublin" has been inserted.

⁶ Elements c.15-20 (inclusive) should be deleted in the case of a straight debt issuance.

| | | |
|-------------|---|---|
| | | <p>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, Luxembourg.</p> <p>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.</p> <p>Settlement of VP Notes shall take place in accordance with the VP Rules, settlement of VPS Notes shall take place in accordance with the VPS Rules, settlement of Swedish Notes shall take place in accordance with the Euroclear Sweden Rules and settlement of Finnish Notes shall take place in accordance with the Euroclear Finland Rules.</p> <p><i>Settlement of the Notes shall take place: [•]</i></p> |
| C.18 | The Return: | <p>The return or Redemption Amount that is payable to investors will be determined by reference to the performance of the underlying Reference Assets/Entities within a particular interest structure or performance structure that is applicable to the Notes. Details on the various interest and performance structures are set out in elements C.9 and C.10.</p> <p><i>Details of the applicable interest and performance structure(s) and the return on the Notes are set out in Elements C.9 and C.10.</i></p> |
| C.19 | Exercise Price or Final Reference Price: | <p>The final reference price of the relevant Reference Asset(s) will have an impact on the Redemption Amount that is payable to investors. The final reference price will be determined on the applicable Valuation Date(s) set out in the relevant Final Terms.</p> <p><i>The final reference price of the Reference Assets will be calculated as the [closing price]/[average of the closing prices] as published by [•] on each of the [•], [•] and [•].</i></p> |
| C.20 | Type of Underlying: | <p>The underlying may constitute one or a combination of the following: equities, indices, reference entities, interest rates, funds, commodities or currencies.</p> <p><i>The type of underlying is: [•].</i></p> |

| Section D - Risks | | |
|--------------------------|--------------------------------------|--|
| D.2 | Risks Specific to the Issuer: | <p>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:</p> |

| | |
|--|---|
| | <p><i>Risks relating to current macroeconomic conditions</i></p> <p>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.</p> <p>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.</p> <p><i>Risks relating to the Nordea Group's credit portfolio</i></p> <p>Adverse changes in the credit quality of the Nordea Group's borrowers and counterparties or a decrease in collateral values are likely to affect the recoverability and value of the Nordea Group's assets and require an increase in its individual provisions and potentially in collective provisions for impaired loans. A significant increase in the size of the Nordea Group's allowance for loan losses and loan losses not covered by allowances would have a material adverse effect on the Nordea Group's business, financial condition and results of operations.</p> <p>The Nordea Group is exposed to counterparty credit risk, settlement risk and transfer risk on transactions executed in the financial services industry and its transactions in financial instruments. If counterparties default on their obligations, this could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.</p> |
| | <p><i>Risks relating to market exposure</i></p> <p>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.</p> <p>The Nordea Group is exposed to structural interest income risk when there is a mismatch between the interest rate re-pricing periods, volumes or reference rates of its assets, liabilities and derivatives. It is also exposed to currency translation risk primarily as a result of its Swedish and</p> |

| | | |
|--|--|---|
| | | <p>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.</p> <p><i>Risks relating to liquidity and capital requirements</i></p> <p>A substantial part of the Nordea Group's liquidity and funding requirements is met through reliance on customer deposits, as well as ongoing access to wholesale lending markets, including issuance of long-term debt market instruments such as covered bonds. Turbulence in the global financial markets and economy may adversely affect the Nordea Group's liquidity and the willingness of certain counterparties and customers to do business with the Nordea Group.</p> <p>The Nordea Group's business performance could be affected if the capital adequacy ratios it is required to maintain under the 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.</p> <p>The Nordea Group's funding costs and its access to the debt capital markets depend significantly on its credit ratings. A reduction in credit ratings could adversely affect the Nordea Group's access to liquidity and its competitive position, and therefore, have a material adverse effect on its business, financial condition and results of operations.</p> |
| | | <p><i>Other risks relating to the Nordea Group's business</i></p> <p>The Nordea Group's business operations are dependent on the ability to process a large number of complex transactions across different markets in many currencies and operations are carried out through a number of entities. Although the Nordea Group has implemented risk controls and taken other actions to mitigate exposures and/or losses, there can be no assurances that such procedures will be effective in controlling each of the operational risks faced by the Nordea Group, or that the Nordea Group's reputation will not be damaged by the occurrence of any operational risks.</p> <p>The Nordea Group's operations in 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.</p> <p>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</p> |

| | |
|--|--|
| | <p>subsidiaries generally depends on the level of fees and other income generated by the insurance and pension business.</p> <p>The Nordea Group's performance is, to a large extent, dependent on the talents and efforts of highly skilled individuals, and the continued ability of the Nordea Group to compete effectively and implement its strategy depends on its ability to attract new employees and retain and motivate existing employees. 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.</p> <p>There is competition for the types of banking and other products and services that the Nordea Group provides and there can be no assurances that the Nordea Group can maintain its competitive position.</p> <p><i>Risks relating to the legal and regulatory environments in which the Nordea Group operates</i></p> <p>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.</p> <p>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</p> |
| | <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p> |

| | |
|--|--|
| | <p>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.</p> <p>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.</p> <p>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.</p> |
| | <p>The Nordea Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Legislative changes or decisions by tax authorities may impair the tax position of the Nordea Group.</p> <p>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.</p> <p><i>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</i></p> <p>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 necessary⁷ regulatory approvals, required</p> |

⁷ By virtue of the supplement dated 21 March 2018, the words "shareholder and" have been deleted.

| | | |
|------------|-------------------------------------|---|
| | | <p>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.</p> |
| D.3 | Risks Specific to the Notes: | <p>There are also risks related to any issue of Notes under the Programme and specific types of Notes, which prospective investors should carefully consider and make sure they understand prior to making any investment decision with respect to the Notes, including:</p> <p><i>[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.]</i></p> <p><i>Complexity of the product</i> – the performance structure for structured Notes is sometimes complex and may contain mathematical formulae or relationships which, for an investor, may be difficult to understand and compare with other investment alternatives. In addition, the relationship between yield and risk may be difficult to assess.</p> <p><i>[Notes which are not principal protected</i> – Notes that are not principal protected may be issued under the Programme. If the Note is not principal protected, there is no guarantee that the return that an investor receives on the Notes upon their redemption will be greater than or equal to the principal amount.]</p> |
| | | <ul style="list-style-type: none"> • <i>Pricing of structured Notes</i> – 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). • <i>Performance of the Reference Assets</i> – with structured Notes, the Noteholder's right to yield and sometimes the repayment of principal depends on the performance of one or more Reference Assets and the applicable performance structure. The value of a structured Note will be affected by the value of the Reference Assets at specific points during the term of the relevant Notes, the intensity of the price fluctuations of the Reference Asset(s), expectations regarding future volatility, market 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. |
| | | <ul style="list-style-type: none"> • <i>Currency fluctuations.</i> Foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or |

| | | |
|--|--|---|
| | | <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> • <i>[Equities as Reference Assets</i> – equity-linked Notes are not sponsored or promoted by the issuer of the equities. The equity issuer does not, therefore, have an obligation to take into account the interests of the investors in the Notes and so the actions of such equity issuer could adversely affect the market value of the Notes. The investor in the Notes is not entitled to receive any dividend payments or other distributions to which a direct holder of the underlying equities would otherwise be entitled.] • <i>[Indices as Reference Assets</i> – Notes that reference indices as Reference Assets may receive a lower payment upon redemption of such Notes than an investor would have received if he or she had invested directly in the equities/assets that comprise the index. The sponsor of any index can add, delete, substitute components or make methodological changes that could affect the level of such index and hence the return that is payable to investors in the Notes. 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.] • <i>[Commodities as Reference Assets</i> – trading in commodities is speculative and may be extremely volatile as commodity prices are affected by factors that are unpredictable, such as changes in supply and demand relationships, weather patterns and government policies. Commodity contracts may also be traded directly between market participants "over-the-counter" in trading facilities that are subject to minimal or no substantive regulation. This increases the risks relating to the liquidity and price histories of the relevant contracts. Notes that are linked to commodity future contracts may provide a different return than Notes linked to the relevant physical commodity, as the price of a futures contract on a commodity will generally be at a premium or at a discount to the spot price of the underlying commodity.] |
| | | <ul style="list-style-type: none"> • <i>[Exposure to a basket of Reference Assets</i> – 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 |

| | | |
|--|--|--|
| | | <p>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.]</p> |
| | | <ul style="list-style-type: none"> • [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: ⁸ | 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. |

⁸ To be deleted in the case of a straight debt issuance.

| Section E - Offer | | |
|-------------------|---|--|
| E.2b | Reasons for the Offer and Use of Proceeds: | <p>Unless otherwise specified, the net proceeds of any issue of Notes will be used for the general banking and other corporate purposes of the Issuers and the Nordea Group.</p> <p><i>[The net proceeds of the issue will be used for: [•]]</i></p> |
| E.3 | Terms and Conditions of the Offer: | <p>Any investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements.</p> <p><i>[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.]</i></p> <p><i>[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.]</i></p> |
| E.4 | Interests Material to the Issue: | <p>Authorised Offerors and other third party distributors may be paid fees in relation to the issue of the Notes under the Programme.</p> <p><i>So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer./ [•].</i></p> |
| E.7 | Estimated Expenses: | <p>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.</p> <p><i>[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 [•].</i></p> |

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, unaudited consolidated financial statements for the year ended 31 December 2017 and unaudited consolidated financial statements for the six months ended 30 June 2018, 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 | | | |
|---|--------------------------|--------------|------------------------|--------------|
| | Six months ended 30 June | | Year ended 31 December | |
| | 2018 | 2017 | 2017 | 2016 |
| | (EUR millions) | | | |
| Interest income..... | 3,546 | 3,826 | 7,575 | 7,747 |
| Interest expense..... | -1,420 | -1,454 | -2,909 | -3,020 |
| Net interest income..... | 2,126 | 2,372 | 4,666 | 4,727 |
| Fee and commission income..... | 1,971 | 2,150 | 4,232 | 4,098 |
| Fee and commission expense..... | -401 | -434 | -863 | -860 |
| Net fee and commission income..... | 1,570 | 1,716 | 3,369 | 3,238 |
| Net result from items at fair value..... | 701 | 736 | 1,328 | 1,715 |
| Profit from associated undertakings and joint ventures accounted for under the equity method..... | 61 | 4 | 23 | 112 |
| Other operating income..... | 398 | 40 | 83 | 135 |
| Total operating income..... | 4,856 | 4,868 | 9,469 | 9,927 |
| Operating expenses | | | | |
| General administrative expenses: | | | | |
| Staff costs..... | -1,528 | -1,594 | -3,212 | -2,926 |
| Other expenses..... | -686 | -820 | -1,622 | -1,646 |
| Depreciation, amortisation and impairment charges of tangible and intangible assets..... | -145 | -123 | -268 | -228 |
| Total operating expenses..... | -2,359 | -2,537 | -5,102 | -4,800 |
| Profit before loan losses..... | 2,497 | 2,331 | 4,367 | 5,127 |
| Net loan losses..... | -99 | -219 | -369 | -502 |
| Operating profit..... | 2,398 | 2,112 | 3,998 | 4,625 |
| Income tax expense..... | -493 | -525 | -950 | -859 |
| Net profit for the period..... | 1,905 | 1,587 | 3,048 | 3,766 |
| Attributable to: | | | | |
| Shareholders of Nordea Bank AB (publ)..... | 1,894 | 1,579 | 3,031 | 3,766 |
| Additional Tier 1 capital holders..... | 7 | - | - | - |
| Non-controlling interests..... | 4 | 8 | 17 | - |

Balance Sheet

| | Group | | | |
|---|----------------|----------------|----------------|----------------|
| | 30 June | | 31 December | |
| | 2018 | 2017 | 2017 | 2016 |
| | (EUR millions) | | | |
| Assets | | | | |
| Cash and balances with central banks | 33,690 | 59,512 | 43,081 | 32,099 |
| Loans to central banks | 6,732 | 9,370 | 4,796 | 11,235 |
| Loans to credit institutions | 13,351 | 20,999 | 8,592 | 9,026 |
| Loans to the public | 314,813 | 314,680 | 310,158 | 317,689 |
| Interest-bearing securities | 74,987 | 90,592 | 75,294 | 87,701 |
| Financial instruments pledged as collateral | 8,898 | 5,505 | 6,489 | 5,108 |
| Shares | 15,568 | 28,692 | 17,180 | 21,524 |
| Assets in pooled schemes and unit-linked investment contracts | 26,335 | 24,772 | 25,879 | 23,102 |
| Derivatives | 43,719 | 53,385 | 46,111 | 69,959 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 165 | 140 | 163 | 178 |
| Investments in associated undertakings and joint ventures | 1,577 | 567 | 1,235 | 588 |
| Intangible assets | 4,064 | 3,991 | 3,983 | 3,792 |
| Property and equipment | 594 | 570 | 624 | 566 |
| Investment properties | 1,615 | 3,205 | 1,448 | 3,119 |
| Deferred tax assets | 119 | 84 | 118 | 60 |
| Current tax assets | 363 | 482 | 121 | 288 |
| Retirement benefit assets | 265 | 333 | 250 | 306 |
| Other assets | 20,237 | 17,387 | 12,441 | 18,973 |
| Prepaid expenses and accrued income | 1,507 | 1,638 | 1,463 | 1,449 |
| | 1,454 | 6,852 | | |
| Assets held for sale | | | 22,186 | 8,897 |
| Total assets | 570,053 | 642,756 | 581,612 | 615,659 |
| Liabilities | | | | |
| Deposits by credit institutions | 50,145 | 69,767 | 39,983 | 38,136 |
| Deposits and borrowings from the public | 176,491 | 189,534 | 172,434 | 174,028 |
| Deposits in pooled schemes and unit-linked investment contracts | 26,904 | 25,159 | 26,333 | 23,580 |
| Liabilities to policyholders | 19,241 | 41,773 | 19,412 | 41,210 |
| Debt securities in issue | 177,865 | 185,164 | 179,114 | 191,750 |
| Derivatives | 44,519 | 52,767 | 42,713 | 68,636 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | 1,272 | 1,911 | 1,450 | 2,466 |
| Current tax liabilities | 613 | 295 | 389 | 487 |
| Other liabilities | 27,394 | 27,338 | 28,515 | 24,413 |
| Accrued expenses and prepaid income | 1,581 | 1,813 | 1,603 | 1,758 |
| Deferred tax liabilities | 589 | 927 | 722 | 830 |
| Provisions | 314 | 295 | 329 | 306 |
| Retirement benefit obligations | 276 | 268 | 281 | 302 |
| Subordinated liabilities | 8,573 | 9,333 | 8,987 | 10,459 |
| | 2,331 | 5,017 | | |
| Liabilities held for sale | | | 26,031 | 4,888 |
| Total liabilities | 538,108 | 611,361 | 548,296 | 583,249 |
| Equity | | | | |
| Additional Tier 1 capital holders | 750 | - | 750 | - |
| Non-controlling interests | - | 158 | 168 | 1 |
| Share capital | 4,050 | 4,050 | 4,050 | 4,050 |
| Share premium reserve | 1,080 | 1,080 | 1,080 | 1,080 |
| Other reserves | -1,642 | -1,269 | -1,543 | -1,023 |
| | 27,707 | 27,376 | | |
| Retained earnings | | | 28,811 | 28,302 |
| Total equity | 31,945 | 31,395 | 33,316 | 32,410 |
| Total liabilities and equity | 570,053 | 642,756 | 581,612 | 615,659 |
| Assets pledged as security for own liabilities | 173,526 | 199,422 | 198,973 | 189,441 |
| Other assets pledged | 5,453 | 5,437 | 4,943 | 8,330 |
| Contingent liabilities | 17,272 | 20,008 | 19,020 | 23,089 |
| Credit commitments ⁹ | 74,422 | 74,027 | 74,545 | 77,881 |
| Other commitments | 1,053 | 2,344 | 2,487 | 1,553 |

⁹ Including unutilised portion of approved overdraft facilities of EUR 28,891m (31 Dec 2017: EUR 29,956m, 30 Jun 2017: EUR 29,579m).

Cash Flow Statement

| | Group | | | |
|--|-----------------------------|---------------|---------------------------|------------|
| | Six months ended 30 June | | Year ended 31 December | |
| | 2018 | 2017 | 2017 | 2016 |
| | <i>(EUR millions)</i> | | | |
| Operating activities | | | | |
| Operating profit..... | 2,398 | 2,112 | 3,998 | 4,625 |
| Adjustment for items not included in cash flow | 1,126 | 1,938 | 3,514 | 3,892 |
| Income taxes paid..... | -638 | -856 | -950 | -952 |
| Cash flow from operating activities before changes in operating assets and liabilities | 2,886 | 3,194 | 6,562 | 7,565 |
| Cash flow from operating activities..... | -4,548 | 31,629 | 12,274 | 3,280 |
| Cash flow from investing activities | 209 | -549 | -1,499 | -934 |
| Cash flow from financing activities..... | -3,268 | -3,377 | -2,637 | -1,553 |
| Cash flow for the period..... | -7,607 | 27,703 | 8,138 | 793 |
| Cash and cash equivalents at the beginning of period | 46,213 | 41,860 | 41,860 | 40,200 |
| Translation differences | 45 | -2,795 | -3,785 | 867 |
| Cash and cash equivalents at the end of period | 38,651 | 66,768 | 46,213 | 41,860 |
| Change | -7,607 | 27,703 | 8,138 | 793 |