

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 iii to viii and the section "*Subscription and Sale*" in the Base Prospectus.

VIKTIG INFORMATION

När du tar del av detta tillägg till grundprospekt ("Tilläggsprospektet") godtar du att bli bunden av följande villkor.

Informationen i detta Tilläggsprospekt kan vara adresserad till och/eller riktad till personer som bor i särskilda länder som endast anges i Grundprospektet (såsom definierat i Tilläggsprospektet) och är inte avsedd för användning och ska inte förlitas på av någon person utanför de länderna. **Innan du förlitar dig på innehållet i detta Tilläggsprospekt måste du säkerställa genom Grundprospektet att du är en avsedd adressat av, och behörig att ta del av, informationen däri.**

Tilläggsprospektet och Grundprospektet utgör inte, och får inte användas i samband med, ett erbjudande att sälja eller en inbjudan att köpa värdepapper i USA eller i någon annan jurisdiktion i vilken ett sådant erbjudande, inbjudan eller försäljning skulle vara olagligt utan registrering, ett undantag från registrering eller kvalificering enligt annan bestämmelse under värdepapperslagarna i en sådan jurisdiktion.

De värdepapper som beskrivs i Tilläggsprospektet och i Grundprospektet har inte, och kommer inte, att registreras i enlighet med U.S. Securities Act of 1933, såsom den har ändrats ("**Securities Act**"), eller vid någon regulatorisk myndighet för värdepapper i någon stat eller annan jurisdiktion av de förenta staterna och kan inkludera fysiska värdepapper som är föremål för krav enligt amerikansk skattelagstiftning. Med förbehåll för vissa undantag, får värdepapperen inte erbjudas eller säljas direkt eller indirekt inom USA eller till, för, eller till förmån för, U.S. persons (såsom begreppet definieras i Regulation S i Securities Act ("**Regulation S**")). De värdepapper som beskrivs i Tilläggsprospektet och Grundprospektet kommer endast erbjudas i offshore-transaktioner till personer som inte är U.S. persons i enlighet med Regulation S.

För en mer komplett beskrivning av restriktionerna för erbjudanden och försäljning av värdepapperen som beskrivs i Tilläggsprospektet och Grundprospektet, se sidorna iii till viii och avsnittet "*Teckning och Försäljning*" i Grundprospektet.

**SUPPLEMENT NO. 4 DATED 27 JULY 2015 TO THE BASE PROSPECTUS
DATED 19 DECEMBER 2014**



NORDEA BANK AB (PUBL)

(Incorporated with limited liability in the Kingdom of Sweden)

NORDEA BANK FINLAND PLC

(Incorporated with limited liability in the Republic of Finland)

€10,000,000,000

Structured Note Programme

This supplement no. 4 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 19 December 2014, the base prospectus supplement dated 11 February 2015, the base prospectus supplement dated 24 April 2015 and the base prospectus supplement dated 22 May 2015 (the "**Base Prospectus**") prepared by Nordea Bank AB (publ) ("**NBAB**") and Nordea Bank Finland Plc ("**NBF**") and together with NBAB, the "**Issuers**") with respect to their €10,000,000,000 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 Issuers accept responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuers (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 29 July 2015 in accordance with the Prospectus Directive.

This Supplement is drawn up in the English language. In case there is any discrepancy between the English text and the Swedish text, the English text stands approved for the purposes of approval under the Prospectus (Directive 2003/71/EC) Regulations 2005.

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.

NBAB ANNUAL REPORT 2014

On 12 February 2015, NBAB published its annual report for the year ended 31 December 2014 (the "NBAB Annual Report 2014"). The NBAB Annual Report 2014 contains audited consolidated financial statements. By virtue of this Supplement, the audited consolidated income statement, statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement, the related notes of the NBAB Annual Report 2014 and the auditor's report are set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

NBAB SECOND QUARTER REPORT 2015

On 16 July 2015, NBAB published its second quarter report for the six months ending 30 June 2015 (the "NBAB Second Quarter Report 2015"). The NBAB Second Quarter Report 2015 contains unaudited consolidated and individual financial statements. By virtue of this Supplement, the unaudited consolidated income statement, statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement, the unaudited NBAB income statement and NBAB balance sheet and the related notes of the NBAB Second Quarter Report 2015 are set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

NBF SECOND QUARTER REPORT 2015

On 16 July 2014, NBF published its second quarter report for the six months ending 30 June 2015 (the "NBF Second Quarter Report 2015"). The NBF Second Quarter Report 2015 contains unaudited consolidated financial statements. By virtue of this Supplement, the unaudited consolidated income statement, statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes of the NBF Second Quarter Report 2014 are set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

RATINGS

On 17 June 2015, Moody's concluded its rating reviews on six Nordic banks and their subsidiaries. These reviews were initiated on 17 March 2015 following the publication of Moody's revised bank methodology and include revisions to Moody's government support assumptions for these banks. As a result of this, Moody's affirmed NBAB's baseline credit assessment and its long-term senior unsecured debt and deposit ratings and also aligned the adjusted baseline credit assessment of NBAB's subsidiaries with the a3 group baseline credit assessment. As such, the table in the section entitled "Ratings" on page vii of the Base Prospectus is deleted and replaced by the following:

<u>Rating Agency</u>	<u>Rating</u>
Moody's Investors Service Limited	Aa3
Standard & Poor's Credit Market Services Europe Limited	AA ⁽¹⁾
Fitch Ratings Limited	AA-
DBRS Ratings Limited	AA

(1) Negative Outlook.

RISK EXPOSURE AMOUNT ("REA")

On 3 July 2015, the Swedish FSA ("SFSA") released a memorandum about future capital requirements in which it states that capital requirements could increase in coming years due to higher risk weights. NBAB expects, as part of the Supervisory Review and Evaluation Process, that the SFSA will add pillar 2 requirements that will increase the capital requirement from the current levels. As a precautionary prudential measure, NBAB has included an additional REA reservation of EUR 4.6 billion in the second quarter of 2015 while awaiting the final Swedish regulatory capital outcome.

SIMPLIFICATION OF LEGAL STRUCTURE

NBAB has initiated preparatory work and dialogue with authorities in the Nordic countries regarding the simplification of its legal structure by changing the Norwegian, Danish and Finnish subsidiary banks into branches. Discussions with the relevant authorities have been initiated and the process is expected to take approximately two years. The changes in NBAB's group legal structure depend on approvals and a satisfactory outcome of the discussions with the relevant authorities in each country. A decision about the future legal structure is also subject to approval by NBAB's shareholders at a general meeting.

GENERAL INFORMATION

The fourth paragraph of the "General Information" section on page 603 of the Base Prospectus is deleted and replaced by the following:

"4. Since 30 June 2015, the date to which the latest financial statements of each Issuer were prepared, there has been no significant change in the financial or trading position of NBAB, NBF or the Nordea Group."

UPDATE OF THE SUMMARY OF THE PROGRAMME

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

SELECTED FINANCIAL INFORMATION

The Selected Financial Information sections on pages 567-579 of the Base Prospectus are deleted in their entirety and replaced with the updated Selected Financial Information in Appendix 2 to this Supplement.

**TILLÄGGSPROSPEKT NR. 4 DATERAT 27 JULI 2015 TILL GRUNDPROSPEKTET
DATERAT 19 DECEMBER 2014**



NORDEA BANK AB (PUBL)
(Registrerat aktiebolag i Konungariket Sverige)

NORDEA BANK FINLAND PLC
(Registrerat bolag i Republiken Finland med begränsat ansvar för aktieägarna)

€10 000 000 000
Program för Strukturerade Lån

Detta Tilläggsprospekt nr. 4 ("**Tilläggsprospektet**") är ett tillägg till, och måste läsas tillsammans med, grundprospektet daterat den 19 december 2014, tillägget till sådant grundprospekt daterat 11 februari 2015, tillägget till sådant grundprospekt daterat 24 april 2015 samt tillägget till sådant grundprospekt daterat 22 maj 2015 ("**Grundprospektet**") utfärdat av Nordea Bank AB (publ) ("**NBAB**") och Nordea Bank Finland Plc ("**NBF**" och tillsammans med NBAB, "**Emittenterna**") för deras €10 000 000 000 Program för Strukturerade Lån ("**Programmet**") och utgör ett tillägg i enlighet med Artikel 16 i direktiv 2003/71/EG, såsom ändrat ("**Prospektdirektivet**"). Definierade termer i Grundprospektet har samma betydelse när de används i detta Tilläggsprospekt.

Detta Tilläggsprospekt har godkänts av Irlands centralbank (En: *Central Bank of Ireland*) ("**Centralbanken**"), som behörig myndighet enligt Prospektdirektivet. Centralbanken godkänner endast att Tilläggsprospektet uppfyller de krav som ställs enligt irländsk och europeisk lagstiftning i enlighet med Prospektdirektivet.

Emittenterna är ansvariga för informationen i detta Tilläggsprospekt. Såvitt Emittenterna (som har iakttagit all vederbörlig omsorg för att säkerställa att så är fallet) känner till, är informationen i detta Tilläggsprospekt korrekt och utelämnar inte något som sannolikt skulle påverka innebörden av information.

I den utsträckning det föreligger diskrepans mellan (a) information i, eller som är införlivad genom hänvisning i, detta Tilläggsprospekt och (b) information i, eller som är införlivad genom hänvisning i, Grundprospektet, ska informationen i detta Tilläggsprospekt äga företräde.

Förutom såsom informeras om i Tilläggsprospektet, har ingen annan betydelsefull ny omständighet, väsentligt misstag eller felaktighet som relaterar till information i Grundprospektet uppstått eller noterats sedan datumet för publicerandet av Grundprospektet.

En investerare som innan datumet för publicering av detta Tilläggsprospekt har gjort en anmälan om eller på annat sätt samtyckt till köp eller teckning av Lån som omfattas av Programmet har rätt att återkalla sin anmälan eller sitt samtycke till köp eller teckning innan slutet av arbetsdagen den 29 juli 2015, i enlighet med Prospektdirektivet.

Detta Tilläggsprospekt är författat på engelska. För det fall att det finns någon diskrepans mellan den engelska texten och den svenska texten, är det den engelska texten som är godkänd i enlighet med förfarandet för godkännande under Prospectus (Directive 2003/71/EG) Regulations 2005.

ÄNDRINGAR I GRUNDPROSPEKTET

Med effekt från datumet för detta Tilläggsprospekt, ska information i Grundprospektet ändras och/eller kompletteras såsom beskrivs nedan.

NBAB ÅRSREDOVISNING 2014

Den 12 februari 2015 publicerade NBAB dess årsredovisning för året som slutade den 31 december 2014 ("NBAB Årsredovisning 2014"). NBAB Årsredovisning 2014 innehåller reviderade konsoliderade finansiella rapporter. Genom detta Tilläggsprospekt anses den reviderade konsoliderade resultatrapporten, rapporten över totalresultat, balansräkningen, rapport över förändringar i eget kapital, kassaflödesanalysen och de därtill relaterade noterna i NBAB Årsredovisning 2014 och revisionsberättelsen i annexet härtill, och annexet utgör del av detta Tilläggsprospekt och Grundprospektet.

NBAB ANDRA KVARTALSRAPPORT 2015

Den 16 juli 2015 publicerade NBAB dess andra kvartalsrapport för de sex månader som slutar 30 juni 2015 ("NBAB Andra Kvartalsrapport 2015"). NBAB Andra Kvartalsrapport 2015 innehåller oreviderade konsoliderade och individuella finansiella rapporter. Genom detta tilläggsprospekt anses den oreviderade konsoliderade resultatrapporten, rapporten över totalresultat, balansräkningen, rapport över förändringar i eget kapital, kassaflödesanalysen, den oreviderade resultatrapporten för NBAB och dess balansräkning och de därtill relaterade noterna i NBAB Andra Kvartalsrapport 2015 i annexet härtill, och annexet utgör en del av detta Tilläggsprospekt och Grundprospektet.

NBF ANDRA KVARTALSRAPPORT 2015

Den 16 juli 2015 publicerade NBF dess andra kvartalsrapport för de sex månader som slutar 30 juni 2015 ("NBF Andra Kvartalsrapport 2015"). NBF Andra Kvartalsrapport 2015 innehåller oreviderade konsoliderade finansiella rapporter. Genom detta tilläggsprospekt anses den oreviderade konsoliderade resultatrapporten, rapporten över totalresultat, balansräkningen, rapport över förändringar i eget kapital, kassaflödesanalysen, den oreviderade resultatrapporten för NBF och dess balansräkning och de därtill relaterade noterna i NBAB Andra Kvartalsrapport 2015 i annexet härtill, och annexet utgör en del av detta Tilläggsprospekt och Grundprospektet.

KREDITVÄRDERINGAR

Moody's färdigställde sin översyn av kreditvärderingarna för sex nordiska banker och deras dotterbolag den 17 juni 2015. Översynen inleddes den 17 mars 2015 efter att Moody's publicerat reviderade bankmetoder och innefattar ändringar till Moody's antaganden avseende statligt stöd till banker. Moody's har därefter bekräftat NBABs kreditvärdering och dess långfristiga seniora osäkrade skuld och insättningar samt har justerat den underliggande kreditvärderingen av NBABs dotterbolag att vara i linje med a3-gruppens underliggande kreditvärdering. Därför ska tabellen i "Kreditvärdighetsbetyg" på sidan vii i Grundprospektet raderas och ersättas av följande tabell:

Kreditvärderingsinstitut	Betyg
Moody's Investors Service Limited:	Aa3
Standard & Poor's Credit Market Services Europe Limited:	AA- (negativ utsikt)
Fitch Ratings Limited:	AA-
DBRS Ratings Limited:	AA

UTFORMING AV KAPITALKRAV

Den svenska Finansinspektionen ("FI") publicerade den 3 juli 2015 en rapport om den framtida utformningen av bankernas kapitalkrav i vilket FI uttrycket att kapitalkraven kan komma att öka under de kommande åren på grund av högre riskvikter. NBAB förväntar sig, som ett led i FIs översyn av detta, att

FI kommer att lägga till pelare 2 krav som kommer att öka kapitalkraven jämfört med nuvarande nivåer. I förebyggande syfte har NBAB därför inkluderat en särskild avsättning härför om 4,6 miljarder euro under det andra kvartalet av 2015, medan man inväntar FIs beslut kring detta.

FÖRENKLING AV LEGAL STRUKTUR

NBAB har börjat förbereda och har inlett dialog med de nordiska myndigheterna rörande en förenkling av Nordeas legala struktur genom att göra de norska, danska och finska dotterbolagen till filialer. Diskussioner har initierats med de relevanta myndigheter och processen förväntas ta ca 2 år. Ändringen i NBAB-koncernens legala struktur är avhängig av att man har goda utfall från diskussionerna med de relevanta myndigheterna i varje land. Beslutet om ändring av den legala strukturen behöver vidare fattas av aktieägarna på en stämma i NBAB.

ALLMÄN INFORMATION

Den fjärde punkten i avsnittet "Allmän Information" på sidan 603 i Grundprospektet raderas och ersätts av följande:

"4. Sedan den 30 juni 2015, vilket är det datum per vilket de senaste räkenskaperna för respektive Emittent upprättades, har det inte inträffat någon väsentlig förändring av handels- eller finansiella positionen för NBAB, NBF eller Nordeakoncernen."

UPPDATERING AV PROGRAMMETS SAMMANFATTNING

Den engelsklydande och svensklydande Sammanfattningen till Programmet som återfinns i Grundprospektet uppdateras i enlighet med Appendix 1 till detta Tilläggsprospekt.

UTVALD FINANSIELL INFORMATION

Det avsnitt som innehåller Utvald Finansiell Information på sidorna 567-579 av Grundprospektet ska bortses från i sin helhet och ersättas med den Utvalda Finansiella Informationen som återfinns i Appendix 2 till detta Tilläggsprospekt.

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EXTRACTS FROM NBAB ANNUAL REPORT 2014

Income statement, Group

EURm	Note	2014	2013
Operating income			
Interest income		9,995	10,604
Interest expense		-4,513	-5,079
Net interest income	G3	5,482	5,525
Fee and commission income		3,799	3,574
Fee and commission expense		-957	-932
Net fee and commission income	G4	2,842	2,642
Net result from items at fair value	G5	1,425	1,539
Profit from associated undertakings accounted for under the equity method	G19	18	79
Other operating income	G6	457	106
Total operating income		10,224	9,891
Operating expenses			
General administrative expenses:			
Staff costs	G7	-3,149	-2,978
Other expenses	G8	-1,635	-1,835
Depreciation, amortisation and impairment charges of tangible and intangible assets	G9	-582	-227
Total operating expenses		-5,366	-5,040
Profit before loan losses		4,858	4,851
Net loan losses	G10	-534	-735
Operating profit		4,324	4,116
Income tax expense	G11	-953	-1,009
Net profit for the year from continuing operations		3,371	3,107
Net profit for the year from discontinued operations, after tax	G42	-39	9
Net profit for the year		3,332	3,116
Attributable to:			
Shareholders of Nordea Bank AB (publ)		3,332	3,116
Non-controlling interests		—	—
Total		3,332	3,116
Basic earnings per share, EUR – Total operations	G12	0.83	0.77
Diluted earnings per share, EUR – Total operations	G12	0.83	0.77
Basic earnings per share, EUR – Continuing operations	G12	0.84	0.77
Diluted earnings per share, EUR – Continuing operations	G12	0.84	0.77

Statement of comprehensive income, Group

EURm	2014	2013
Net profit for the year	3,332	3,116
Items that may be reclassified subsequently to the income statement		
Currency translation differences during the year	-1,039	-999
Hedging of net investments in foreign operations:		
Valuation gains/losses during the year	435	464
Tax on valuation gains/losses during the year	-96	-102
Available for sale investments ¹ :		
Valuation gains/losses during the year	41	25
Tax on valuation gains/losses during the year	-8	-5
Transferred to the income statement during the year	-1	6
Tax on transfers to the income statement during the year	0	-1
Cash flow hedges:		
Valuation gains/losses during the year	480	497
Tax on valuation gains/losses during the year	-105	-111
Transferred to the income statement during the year	-449	-499
Tax on transfers to the income statement during the year	98	110
Items that may not be reclassified subsequently to the income statement		
Defined benefit plans:		
Remeasurement of defined benefit plans during the year	-518	155
Tax on remeasurement of defined benefit plans during the year	120	-39
Other comprehensive income, net of tax²	-1,042	-499
Total comprehensive income	2,290	2,617
Attributable to:		
Shareholders of Nordea Bank AB (publ)	2,290	2,617
Non-controlling interests	—	—
Total	2,290	2,617

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

2) Of which EUR -12m (EUR -22m) related to discontinued operations.

Balance sheet, Group

EURm	Note	31 Dec 2014	31 Dec 2013	1 Jan 2013
Assets				
Cash and balances with central banks		31,067	33,529	36,060
Loans to central banks	G13	6,958	11,769	8,005
Loans to credit institutions	G13	12,217	10,743	10,569
Loans to the public	G13	348,085	342,451	346,251
Interest-bearing securities	G14	87,110	87,314	86,626
Financial instruments pledged as collateral	G15	12,151	9,575	7,970
Shares	G16	39,749	33,271	28,128
Derivatives	G17	105,119	70,992	118,789
Fair value changes of the hedged items in portfolio hedge of interest rate risk	G18	256	203	-711
Investments in associated undertakings	G19	487	630	585
Intangible assets	G20	2,908	3,246	3,425
Properties and equipment		509	431	474
Investment properties	G22	3,227	3,524	3,408
Deferred tax assets	G11	130	62	266
Current tax assets		132	31	78
Retirement benefit assets	G32	42	321	142
Other assets	G23	17,581	11,064	15,554
Prepaid expenses and accrued income	G24	1,614	2,383	2,559
Assets held for sale	G42	—	8,895	—
Total assets		669,342	630,434	668,178
Liabilities				
Deposits by credit institutions	G25	56,322	59,090	55,426
Deposits and borrowings from the public	G26	197,254	200,743	200,678
Liabilities to policyholders	G27	51,843	47,226	45,320
Debt securities in issue	G28	194,274	185,602	183,908
Derivatives	G17	97,340	65,924	114,203
Fair value changes of the hedged items in portfolio hedge of interest rate risk	G18	3,418	1,734	1,940
Current tax liabilities		368	303	391
Other liabilities	G29	26,973	24,737	24,773
Accrued expenses and prepaid income	G30	1,943	3,677	3,903
Deferred tax liabilities	G11	983	935	976
Provisions	G31	305	177	389
Retirement benefit liabilities	G32	540	334	469
Subordinated liabilities	G33	7,942	6,545	7,797
Liabilities held for sale	G42	—	4,198	—
Total liabilities		639,505	601,225	640,173
Equity				
Non-controlling interests		2	2	5
Share capital		4,050	4,050	4,050
Share premium reserve		1,080	1,080	1,080
Other reserves		-1,201	-159	340
Retained earnings		25,906	24,236	22,530
Total equity		29,837	29,209	28,005
Total liabilities and equity		669,342	630,434	668,178
Assets pledged as security for own liabilities	G34	163,041	174,418	159,924
Other assets pledged	G35	11,265	7,467	10,344
Contingent liabilities	G36	22,017	20,870	21,157
Credit commitments	G37	74,291	78,332	84,914
Other commitments	G37	1,644	1,267	1,294

Statement of changes in equity, Group

EURm	Attributable to shareholders of Nordea Bank AB (publ) ²										
	Share capital ¹	Share premium reserve	Other reserves:					Retained earnings	Total	Non-controlling interests	Total equity
			Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans					
Balance at 1 Jan 2014	4,050	1,080	-613	-18	81	391	24,236	29,207	2	29,209	
Net profit for the year	—	—	—	—	—	—	3,332	3,332	—	3,332	
<i>Items that may be reclassified subsequently to the income statement</i>											
Currency translation differences during the year	—	—	-1,039	—	—	—	—	-1,039	—	-1,039	
Hedging of net investments in foreign operations:											
Valuation gains/losses during the year	—	—	435	—	—	—	—	435	—	435	
Tax on valuation gains/losses during the year	—	—	-96	—	—	—	—	-96	—	-96	
Available for sale investments:											
Valuation gains/losses during the year	—	—	—	—	41	—	—	41	—	41	
Tax on valuation gains/losses during the year	—	—	—	—	-8	—	—	-8	—	-8	
Transferred to the income statement during the year	—	—	—	—	-1	—	—	-1	—	-1	
Tax on transfers to the income statement during the year	—	—	—	—	0	—	—	0	—	0	
Cash flow hedges:											
Valuation gains/losses during the year	—	—	—	480	—	—	—	480	—	480	
Tax on valuation gains/losses during the year	—	—	—	-105	—	—	—	-105	—	-105	
Transferred to the income statement during the year	—	—	—	-449	—	—	—	-449	—	-449	
Tax on transfers to the income statement during the year	—	—	—	98	—	—	—	98	—	98	
<i>Items that may not be reclassified subsequently to the income statement</i>											
Defind benefit plans:											
Remeasurement of defined benefit plans during the year	—	—	—	—	—	-518	—	-518	—	-518	
Tax on remeasurement of defined benefit plans during the year	—	—	—	—	—	120	—	120	—	120	
Other comprehensive income, net of tax	—	—	-700	24	32	-398	—	-1,042	—	-1,042	
Total comprehensive income	—	—	-700	24	32	-398	3,332	2,290	—	2,290	
Share-based payments	—	—	—	—	—	—	16	16	—	16	
Dividend for 2013	—	—	—	—	—	—	-1,734	-1,734	—	-1,734	
Disposal of own shares ³	—	—	—	—	—	—	56	56	—	56	
Balance at 31 Dec 2014	4,050	1,080	-1,313	6	113	-7	25,906	29,835	2	29,837	

1) Total shares registered were 4,050 million.

2) Restricted capital was EUR 4,050m, unrestricted capital was EUR 25,785m.

3) Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 23.0 million. The total holdings of own shares related to LTIP is 15.9 million.

EURm	Attributable to shareholders of Nordea Bank AB (publ) ²									
	Share capital ¹	Share premium reserve	Other reserves:				Retained earnings	Total	Non-controlling interests	Total equity
			Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans				
Balance at 1 Jan 2013	4,050	1,080	24	-15	56	275	22,530	28,000	5	28,005
Net profit for the year	—	—	—	—	—	—	3,116	3,116	—	3,116
<i>Items that may be reclassified subsequently to the income statement</i>										
Currency translation differences during the year	—	—	-999	—	—	—	—	-999	—	-999
Hedging of net investments in foreign operations:										
Valuation gains/losses during the year	—	—	464	—	—	—	—	464	—	464
Tax on valuation gains/losses during the year	—	—	-102	—	—	—	—	-102	—	-102
Available for sale investments:										
Valuation gains/losses during the year	—	—	—	—	25	—	—	25	—	25
Tax on valuation gains/losses during the year	—	—	—	—	-5	—	—	-5	—	-5
Transferred to the income statement during the year	—	—	—	—	6	—	—	6	—	6
Tax on transfers to the income statement during the year	—	—	—	—	-1	—	—	-1	—	-1
Cash flow hedges:										
Valuation gains/losses during the year	—	—	—	497	—	—	—	497	—	497
Tax on valuation gains/losses during the year	—	—	—	-111	—	—	—	-111	—	-111
Transferred to the income statement during the year	—	—	—	-499	—	—	—	-499	—	-499
Tax on transfers to the income statement during the year	—	—	—	110	—	—	—	110	—	110
<i>Items that may not be reclassified subsequently to the income statement</i>										
Defined benefit plans:										
Remeasurement of defined benefit plans during the year	—	—	—	—	—	155	—	155	—	155
Tax on remeasurement of defined benefit plans during the year	—	—	—	—	—	-39	—	-39	—	-39
Other comprehensive income, net of tax	—	—	-637	-3	25	116	—	-499	—	-499
Total comprehensive income	—	—	-637	-3	25	116	3,116	2,617	—	2,617
Share-based payments	—	—	—	—	—	—	17	17	—	17
Dividend for 2012	—	—	—	—	—	—	-1,370	-1,370	—	-1,370
Purchases of own shares ³	—	—	—	—	—	—	-57	-57	—	-57
Other changes	—	—	—	—	—	—	—	—	-3	-3
Balance at 31 Dec 2013	4,050	1,080	-613	-18	81	391	24,236	29,207	2	29,209

1) Total shares registered were 4,050 million.

2) Restricted capital was EUR 4,050m, unrestricted capital was EUR 25,157m.

3) Refers to the change in the holding of own shares related to the Long Term Incentive Programme, trading portfolio and Nordea's shares within portfolio schemes in Denmark. The number of own shares were 31.8 million. The total holdings of own shares related to LTIP is 18.3 million.

Dividends per share

See Statement of changes in equity for the parent company, page 167.

Cash flow statement, Group

– Total operations

EURm	2014	2013
Operating activities		
Operating profit	4,324	4,116
Profit for the year from discontinued operations, after tax	-39	9
Adjustment for items not included in cash flow	8,137	4,492
Income taxes paid	-966	-1,010
Cash flow from operating activities before changes in operating assets and liabilities	11,456	7,607
Changes in operating assets		
Change in loans to central banks	1,853	-530
Change in loans to credit institutions	-1,050	289
Change in loans to the public	-17,359	-14,511
Change in interest-bearing securities	-3,785	-5,045
Change in financial assets pledged as collateral	-2,609	-1,648
Change in shares	-7,196	-5,918
Change in derivatives, net	155	-2,234
Change in investment properties	169	-78
Change in other assets	-6,843	4,351
Changes in operating liabilities		
Change in deposits by credit institutions	-4,398	6,564
Change in deposits and borrowings from the public	568	9,205
Change in liabilities to policyholders	-765	-57
Change in debt securities in issue	13,040	6,585
Change in other liabilities	5,940	1,735
Cash flow from operating activities	-10,824	6,315
Investing activities		
Sale of business operations	481	—
Acquisition of associated undertakings	-8	-8
Sale of associated undertakings	480	4
Acquisition of property and equipment	-197	-153
Sale of property and equipment	14	33
Acquisition of intangible assets	-343	-229
Sale of intangible assets	—	1
Net divestments in debt securities, held to maturity	2,822	930
Purchase/sale of other financial fixed assets	5	-6
Cash flow from investing activities	3,254	572
Financing activities		
Issued subordinated liabilities	1,106	—
Amortised subordinated liabilities	-468	-500
Divestment/repurchase of own shares including change in trading portfolio	56	-57
Dividend paid	-1,734	-1,370
Cash flow from financing activities	-1,040	-1,927
Cash flow for the year	-8,610	4,960
Cash and cash equivalents at the beginning of year	45,670	42,808
Translation difference	2,623	-2,098
Cash and cash equivalents at the end of year	39,683	45,670
Change	-8,610	4,960

Comments on the cash flow statement

The cash flow statement has been prepared in accordance with IAS 7. The cash flow statement shows inflows and outflows of cash and cash equivalents during the year for total operations. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for items not included in cash flow includes:

EURm	2014	2013
Depreciation	237	220
Impairment charges	350	17
Loan losses	620	837
Unrealised gains/losses	-457	2,180
Capital gains/losses (net)	-391	-18
Change in accruals and provisions	-788	55
Translation differences	1,070	407
Change in bonus potential to policyholders, Life	918	1,046
Change in technical reserves, Life	3,839	1,543
Change in fair value of hedged items, assets/liabilities (net)	1,749	-1,608
Income tax expense, discontinued operations	2	4
Other	988	-191
Total	8,137	4,492

Changes in operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

EURm	2014	2013
Interest payments received	10,319	11,031
Interest expenses paid	4,698	5,360

Investing activities

Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets.

Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised subordinated liabilities.

Cash and cash equivalents

The following items are included in Cash and cash equivalents:

EURm	31 Dec 2014	31 Dec 2013
Cash and balances with central banks	31,067	33,529
Loans to central banks, payable on demand	6,454	9,313
Loans to credit institutions, payable on demand	2,162	2,290
Assets held for sale	—	538
Total	39,683	45,670

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

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

Loans to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities. Loans to central banks, payable on demand includes instruments where Nordea has the right to resell immediately.

Discontinued operations

The cash flow statements include cash flow attributable to total operations i.e. both continuing and discontinued operations. The discontinued operations consist of Nordea's Polish operations, for more information see Note G1 and Note G42. The cash flows related to the discontinued operations, excluding the cash flows at the closing of the transaction, consist of net cash flows from operating activities of EUR -379m (EUR -15m), net cash flow from investing activities of EUR -14m (EUR -11m) and net cash flows from financing activities of EUR 1m (EUR 0m).

Quarterly development, Group

EURm	Q4 2014	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2014	2013
Net interest income	1,356	1,396	1,368	1,362	1,390	1,386	1,391	1,358	5,482	5,525
Net fee and commission income	763	667	708	704	703	652	664	623	2,842	2,642
Net result from items at fair value	367	291	356	411	333	346	416	444	1,425	1,539
Profit from associated undertakings accounted for under the equity method	-1	7	3	9	21	14	9	35	18	79
Other operating income	28	393	21	15	22	28	10	46	457	106
Total operating income	2,513	2,754	2,456	2,501	2,469	2,426	2,490	2,506	10,224	9,891
General administrative expenses:										
Staff costs	-758	-728	-907	-756	-739	-732	-753	-754	-3,149	-2,978
Other expenses	-416	-378	-415	-426	-480	-441	-453	-461	-1,635	-1,835
Depreciation, amortisation and impairment charges of tangible and intangible assets	-53	-410	-64	-55	-64	-61	-50	-52	-582	-227
Total operating expenses	-1,227	-1,516	-1,386	-1,237	-1,283	-1,234	-1,256	-1,267	-5,366	-5,040
Profit before loan losses	1,286	1,238	1,070	1,264	1,186	1,192	1,234	1,239	4,858	4,851
Net loan losses	-129	-112	-135	-158	-180	-171	-186	-198	-534	-735
Operating profit	1,157	1,126	935	1,106	1,006	1,021	1,048	1,041	4,324	4,116
Income tax expense	-280	-188	-219	-266	-246	-257	-248	-258	-953	-1,009
Net profit for the period from continuing operations	877	938	716	840	760	764	800	783	3,371	3,107
Net profit for the period from discontinued operations, after tax	0	0	-30	-9	13	12	-29	13	-39	9
Net profit for the year	877	938	686	831	773	776	771	796	3,332	3,116
Diluted earnings per share (DEPS), EUR – Total operations	0.22	0.23	0.17	0.21	0.19	0.19	0.19	0.20	0.83	0.77
DEPS, rolling 12 months up to period end, EUR – Total operations	0.83	0.80	0.76	0.78	0.77	0.79	0.77	0.79	0.83	0.77

5 year overview, Group

Income statement¹

EURm	2014	2013	2012	2011	2010
Net interest income	5,482	5,525	5,563	5,456	5,159
Net fee and commission income	2,842	2,642	2,468	2,395	2,156
Net result from items at fair value	1,425	1,539	1,774	1,517	1,837
Profit from associated undertakings accounted for under the equity method	18	79	93	42	66
Other operating income	457	106	100	91	116
Total operating income	10,224	9,891	9,998	9,501	9,334
General administrative expenses:					
Staff costs	-3,149	-2,978	-2,989	-3,113	-2,784
Other expenses	-1,635	-1,835	-1,808	-1,914	-1,862
Depreciation, amortisation and impairment charges of tangible and intangible assets	-582	-227	-267	-192	-170
Total operating expenses	-5,366	-5,040	-5,064	-5,219	-4,816
Profit before loan losses	4,858	4,851	4,934	4,282	4,518
Net loan losses	-534	-735	-895	-735	-879
Operating profit	4,324	4,116	4,039	3,547	3,639
Income tax expense	-953	-1,009	-970	-913	-976
Net profit for the year from continuing operations	3,371	3,107	3,069	2,634	2,663
Net profit for the year from discontinued operations, after tax	-39	9	57	—	—
Net profit for the year	3,332	3,116	3,126	2,634	2,663

Balance sheet²

EURm	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Cash and balances with central banks	31,067	33,529	36,060	3,765	10,023
Loans to central banks and credit institutions	19,175	22,512	18,574	51,865	15,788
Loans to the public	348,085	342,451	346,251	337,203	314,211
Interest-bearing securities and pledged instruments	99,261	96,889	94,596	92,923	91,743
Derivatives	105,119	70,992	118,789	171,943	96,825
Other assets	66,635	55,166	53,908	43,432	52,249
Assets held for sale	—	8,895	—	—	—
Total assets	669,342	630,434	668,178	701,131	580,839
Deposits by credit institutions	56,322	59,090	55,426	55,316	40,736
Deposits and borrowings from the public	197,254	200,743	200,678	190,092	176,390
Liabilities to policyholders	51,843	47,226	45,320	40,715	38,766
Debt securities in issue	194,274	185,602	183,908	178,028	151,578
Derivatives	97,340	65,924	114,203	167,390	95,887
Subordinated liabilities	7,942	6,545	7,797	6,503	7,761
Other liabilities	34,530	31,897	32,841	37,442	45,183
Liabilities held for sale	—	4,198	—	—	—
Equity	29,837	29,209	28,005	25,645	24,538
Total liabilities and equity	669,342	630,434	668,178	701,131	580,839

1) The comparative figures for 2010–2011 have not been restated in relation to discontinued operations (Nordea's Polish operations), see Note G42 for more information.

2) The comparative figures for 2010 have not been restated in relation to the amendment to IAS 19 and forward starting bonds, see Note G1 in the Annual report 2013 for more information.

Ratios and key figures, Group

	2014	2013	2012 ^{2,3}	2011 ^{2,3}	2010 ^{2,3}
Basic earnings per share, EUR – Total operations	0.83	0.77	0.78	0.65	0.66
Diluted earnings per share, EUR – Total operations	0.83	0.77	0.78	0.65	0.66
Share price ¹ , EUR	9.68	9.78	7.24	5.98	8.16
Total shareholders' return, %	9.2	44.6	21.0	-24.4	3.7
Proposed/actual dividend per share, EUR	0.62	0.43	0.34	0.26	0.29
Equity per share ¹ , EUR	7.40	7.27	6.96	6.47	6.07
Potential shares outstanding ¹ , million	4,050	4,050	4,050	4,047	4,043
Weighted average number of diluted shares, million	4,031	4,020	4,026	4,028	4,022
Return on equity, % – Continuing operations	11.5	11.0	11.6	10.6	11.5
Return on assets, % – Total operations	0.50	0.49	0.47	0.38	0.46
Assets under management ¹ , EURbn	262.2	232.1	218.3	187.4	191.0
Cost/income ratio ⁷ , % – Continuing operations	49	51	51	55	52
Loan loss ratio, basis points	15	21	26	23	31
Common Equity Tier 1 capital ratio excluding Basel I floor ^{1,4,5} , %	15.7	14.9	13.1	11.2	10.3
Tier 1 capital ratio, excluding Basel I floor ^{1,4,5} , %	17.6	15.7	14.3	12.2	11.4
Total capital ratio, excluding Basel I floor ^{1,4,5} , %	20.7	18.1	16.2	13.4	13.4
Core tier 1 capital ^{1,4,5} , EURm	22,821	23,112	21,961	20,677	19,103
Tier 1 capital ^{1,4,5} , EURm	25,558	24,444	23,953	22,641	21,049
Risk exposure amount, excluding Basel I floor ^{1,6} , EURbn	145	155	168	185	185
Number of employees (full-time equivalents) ¹ – Continuing operations	29,397	29,429	29,491	33,068	33,809
Risk-adjusted profit ⁶ , EURm – Continuing operations	3,489	3,352	3,313	2,714	2,622
Economic profit ⁶ , EURm – Continuing operations	1,071	912	889	1,145	936
Economic capital ^{1,6} , EURbn – Total operations	23.9	24.4	23.8	17.7	17.5
Economic capital ^{1,6} , EURbn – Continuing operations	23.9	23.5	22.8	—	—
RAROCAR ⁶ , % – Continuing operations	14.4	13.7	13.9	15.5	15.0
MCEV, EURm	4,758	4,700	3,762	2,714	3,655

1) End of the year.

2) The comparative figures for 2010–2011 have not been restated due to discontinued operations (Nordea's Polish operations), see Note G42 for more information.

3) The comparative figures for 2010 have not been restated due to the amendment to IAS 19 and forward starting bonds, see Note G1 in the Annual report 2013 for more information.

4) Including result of the year.

5) 2013 ratios are reported under the Basel II regulation framework and 2014 ratios are reported using the Basel III (CRR/CRDIV) framework.

6) Capital deductions and physical asset (PAS) are included in 2013 and 2014 ratios.

7) Excluding non-recurring items in 2014.

Business definitions

Allowances in relation to impaired loans

Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Basic earnings per share Net profit for the year divided by the weighted average number of outstanding shares, non-controlling interests excluded.

Cost of equity (%) Required return by investors on the Nordea share, measured as the long risk free euro rate plus required average risk premium to invest in equities multiplied by Beta, which reflects the Nordea share's volatility and correlation with market volatility.

Cost of equity in EUR is defined as Cost of equity (%) times Economic capital. The Cost of equity is set by management once a year as a parameter to manage risk appetite and investment level.

Cost/income ratio Total operating expenses divided by total operating income.

Diluted earnings per share Net profit for the year divided by the weighted average number of outstanding shares after full dilution, non-controlling interests excluded.

Economic capital (EC) Internal estimate of required capital and measures the capital required to cover unexpected losses in the course of its business with a certain probability. EC uses advanced internal models to provide a consistent measurement for Credit Risk, Market Risk, Operational Risk, Business Risk and Life Insurance Risk arising from activities in Nordea's various business areas.

The aggregation of risks across the group gives rise to diversification effects resulting from the differences in risk drivers and the improbability that unexpected losses occur simultaneously.

Economic profit Deducting Cost of equity from Risk-adjusted profit.

Equity per share Equity as shown on the balance sheet after full dilution and non-controlling interests excluded divided by the number of shares after full dilution.

Expected losses Normalised loss level of the individual loan exposure over a business cycle as well as various portfolios.

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

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

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

MCEV (Market Consistent Embedded Value) Estimate of the value a shareholder would put on a portfolio of in-force life and pension business based on objective market return. No franchise value or other additional value is included in MCEV.

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

Own funds Own funds include the sum of the Tier 1 capital and the supplementary capital consisting of subordinated loans, after deduction of the carrying amount of the shares in wholly owned insurance companies and the potential deduction for expected shortfall.

Price to Book Nordea's stock market value relative to its book value of total equity.

RAROCAR, % (Risk-adjusted return on capital at risk), Risk-adjusted profit relative to Economic capital.

Return on equity Net profit for the year excluding non-controlling interests as a percentage of average equity for the year. Average equity including net profit for the year and dividend until paid, non-controlling interests excluded.

Return on assets Net profit for the year as a percentage of total assets at end of the year.

Risk-adjusted profit Total income minus total operating expenses, minus Expected losses and standard tax (24 % 2014). In addition, Risk-adjusted profit excludes major non-recurring items.

Risk exposure amount Total assets and off-balance-sheet items valued on the basis of the credit and market risks, as well as operational risks of the Group's undertakings, in accordance with regulations governing capital adequacy, excluding assets in insurance companies, carrying amount of shares which have been deducted from the capital base and intangible assets.

Tier 1 capital Proportion of the capital base, which includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations. Shortfall is deducted with 100% in CET1 in 2014, but 50% in 2013, – the negative difference between expected losses and provisions. Subsequent to the approval of the supervisory authorities, Tier 1 capital also includes qualified forms of subordinated loans (Tier 1 capital contributions and hybrid capital loans).

The Common equity Tier 1 capital constitutes the Tier 1 capital excluding hybrid capital loans.

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.

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

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

Total capital ratio Own funds as a percentage of risk exposure amount.

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.

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Content for Note G1

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1. Basis for presentation

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18) have also been applied.

The disclosures, required in the standards, recommendations and legislation above, have been included in the notes, the Risk, Liquidity and Capital management section or in other parts of the "Financial statements".

On 5 February 2015 the Board of Directors approved the financial statements, subject to final approval of the Annual General Meeting on 19 March 2015.

2. Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2013 Annual Report. The new accounting requirements implemented during 2014 and their effects on Nordea's financial statements are described below.

IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosures of Interests in Other Entities", and IAS 28 "Investments in Associates and Joint Ventures"

The new standards IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Dis-

losures of Interests in Other Entities" as well as amendments to IAS 28 "Investments in Associates and Joint Ventures" were implemented 1 January 2014 but has not had any significant impact on the financial statements of Nordea.

IFRS 10 clarifies which entities should be included in the consolidated accounts and how to perform the consolidation. IFRS 10 did not change the scope of consolidation for Nordea in 2014. IFRS 11 describes the accounting for investments in entities in which two or more investors have joint control, typically a 50/50 holding. Nordea has currently no such interests and IFRS 11 has not had any impact on the financial statements in 2014. IFRS 12 has added disclosures, mainly regarding unconsolidated structured entities. These disclosures can be found in note G48 "Interests in structured entities". The standard also includes guidance on disclosures for subsidiaries and associates, but these disclosure requirements are similar to the previous disclosure requirements in IAS 27 and IAS 28.

The accounting requirements in IAS 28 are unchanged apart from that the disclosure requirements have been moved to IFRS 12.

FFFS 2008:25

The Swedish Financial Supervisory Authority has amended the accounting regulation FFFS 2008:25 by issuing FFFS 2013:24 and FFFS 2014:18. Those amendments were implemented by Nordea 1 January 2014 except for the amendments in FFFS 2014:18 that were implemented in the third quarter 2014. The amendments require additional disclosures related to capital adequacy and specific country by country information which are presented in Note G38 "Capital adequacy" and Note G49 "Country by country reporting" respectively. Other amendments in FFFS 2013:24 and FFFS 2014:18 have not had any significant impact on Nordea's financial statements.

Discontinued operations and disposal groups held for sale

On 1 April 2014 Nordea completed its sale of the Polish bank, life and finance businesses, including Nordea Bank Polska S.A., Nordea Finance Polska S.A. and Nordea Polska Towarzystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski. These operations are reported as discontinued operations for the period until deconsolidation on 1 April. Discontinued operations also include the IT operations in Poland that continue to serve the sold business. Details of discontinued operations are found in Note G42 "Discontinued operations and disposal groups held for sale".

3. Changes in IFRSs not yet applied by Nordea**IFRS 9 "Financial instruments"**

IASB has during 2014 completed the new standard for financial instruments, IFRS 9 "Financial instruments". IFRS 9 covers classification and measurement, impairment and general hedging and replaces the current requirements for these areas in IAS 39. IFRS 9 is effective as from annual periods beginning on or after 1 January 2018. Earlier application is permitted. The EU commission has not yet endorsed IFRS 9 but is expected to do so during 2015. Nordea does not currently intend to early adopt the standard.

The changes in classification and measurement are not expected to have a significant impact on Nordea's income

statement or balance sheet as the mixed measurement model will be maintained. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy and large exposures are not expected in the period of initial application, but this is naturally dependent on the financial instruments on Nordea's balance sheet at transition. Nordea has not yet finalised the impact assessment.

The impairment requirements in IFRS 9 are based on an expected loss model as opposed to the current incurred loss model in IAS 39. In general, it is expected that the new requirements will increase loan loss provisions, decrease equity and have a negative impact on capital adequacy, but no impact on large exposures, in the period of initial application. Nordea has not yet finalised the impact assessment.

The main change to the general hedging requirements is that the standard aligns hedge accounting more closely with the risk management activities. As Nordea generally uses macro (portfolio) hedge accounting Nordea's assessment is that the new requirements will not have any significant impact on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application. Nordea has not yet finalised the impact assessment.

IFRS 15 "Revenue from Contracts with Customers"

The IASB has published the new standard, IFRS 15 "Revenue from Contracts with Customers". The new standard outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition standards and interpretations within IFRS, such as IAS 18 "Revenue". The new standard is effective for annual periods beginning on or after 1 January 2017, with earlier application permitted. The EU-commission is expected to endorse the standard during the second quarter 2015. Nordea does not currently intend to early adopt the standard. The standard does not apply to financial instruments, insurance contracts or lease contracts. Nordea has not finalised the investigation of the impact on the financial statements but the current assessment is that the new standard will not have any significant impact on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application.

Amendments to IFRS 11 "Accounting for Acquisition of Interest in Joint Operations"

The IASB has issued amendments to IFRS 11 "Joint Arrangements", which add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted. The EU commission is expected to endorse the amendment during the first quarter 2015. Nordea does not currently intend to early adopt the amendments. As Nordea does not have any joint venture the assessment is that the amendments will not have any effects on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The IASB has amended the requirements in IFRS 10 and IAS 28 regarding sales and contribution of assets between an investor and its associate or joint venture due to inconsistent treatment of gains and losses of such transactions in those standards. The amendments should be applied prospectively to transactions that occur in annual periods beginning on or after 1 January 2016. Earlier application is permitted. The EU commission is expected to endorse the amendments during the fourth quarter 2015. Nordea does not currently intend to early adopt the amendments. The new requirements are not expected to have any effect on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application as the new requirements are in line with Nordea's current accounting policies.

IFRIC 21 "Levies"

The IASB has published IFRIC 21 "Levies". The interpretation is effective for annual periods beginning on or after 1 January 2014. The EU commission endorsed this interpretation during 2014. In contrast to IFRS, the EU commission requires the standard to be applied for annual periods beginning on or after 17 June 2014. Nordea will apply the interpretation as from 1 January 2015. IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IFRIC 21 clarifies that if a levy is triggered by operating as a bank at the end of the reporting period, the liability for the levy is not recognised prior to that date. Nordea's assessment is that the new interpretation will not have any significant impact on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application.

Other changes in IFRS

The IASB has published the following new or amended standards that are assessed to have no impact on Nordea's financial statement, capital adequacy or large exposures in the period of initial application:

- IFRS 14 "Regulatory Deferral Accounts"
- Amendments to IAS 16 and IAS 38: "Clarification of Acceptable
- Methods of Depreciation and Amortisation"
- Amendments to IAS 19: "Defined Benefit Plans: Employee Contributions"
- "Annual Improvements to IFRSs, 2010–2012 Cycle"
- "Annual Improvements to IFRSs, 2011–2013 Cycle"
- "Annual Improvements to IFRSs, 2012–2014 Cycle"

4. Critical judgements and estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of judgements and estimates by management. Actual outcome can later, to some extent, differ from the estimates and the assumptions made. In this section a description is made of:

- the sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year, and

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- the judgements made when applying accounting policies (apart from those involving estimations) that have the most significant effect on the amounts recognised in the financial statements.

Critical judgements and estimates are in particular associated with:

- the fair value measurement of certain financial instruments
- the impairment testing of:
 - goodwill and
 - loans to the public/credit institutions
- the effectiveness testing of cash flow hedges
- the actuarial calculations of pension liabilities and plan assets related to employees
- the actuarial calculations of insurance contracts
- the valuation of investment properties
- the classification of leases
- the classification of additional tier 1 instruments
- assessing control for consolidation purposes
- the translations of assets and liabilities denominated in foreign currencies
- the valuation of deferred tax assets
- claims in civil lawsuits.

Fair value measurement of certain financial instruments

Nordea's accounting policy for determining the fair value of financial instruments is described in section 11 "Determination of fair value of financial instruments" and Note G40 "Assets and liabilities at fair value". Critical judgements that have a significant impact on the recognised amounts for financial instruments is exercised when determining fair value of OTC derivatives and other financial instruments that lack quoted prices or recently observed market prices. Those judgements relate to the following areas:

- The choice of valuation techniques.
- The determination of when quoted prices fail to represent fair value (including the judgement of whether markets are active).
- The construction of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk.
- The judgement of which market parameters that are observable.

When determining fair value of financial instruments that lack quoted prices or recently observed market prices there is also a high degree of estimation uncertainty. That estimation uncertainty is mainly a result of the judgement management exercises when:

- selecting an appropriate discount rate for the instrument, and
- determining expected timing of future cash flows from the instruments.

In all of these instances, decisions are based upon professional judgement in accordance with Nordea's accounting and valuation policies. In order to ensure proper governance, Nordea has a Group Valuation Committee that on an on-going basis reviews critical judgements that are deemed to have a significant impact on fair value measurements.

The fair value of financial assets and liabilities measured at fair value using a valuation technique, level 2 and 3 in the fair value hierarchy, was EUR 271,194m (EUR 217,626m) and EUR 194,243m (EUR 153,315m) respectively at the end of the year.

Sensitivity analysis disclosures covering fair values of financial instruments with significant unobservable inputs can be found in Note G40 "Assets and liabilities at fair value".

Estimation uncertainty also arises at initial recognition of financial instruments that are part of larger structural transactions. Although subsequently not necessarily held at fair value such instruments are initially recognised at fair value and as there is normally no separate transaction price or active market for such individual instruments the fair value has to be estimated.

Impairment testing of goodwill

Nordea's accounting policy for goodwill is described in section 16 "Intangible assets" and Note G20 "Intangible assets" lists the cash generating units to which goodwill has been allocated. Nordea's total goodwill amounted to EUR 2,234m (EUR 2,421m) at the end of the year.

The estimation of future cash flows and the calculation of the rate used to discount those cash flows are subject to estimation uncertainty. The forecast of future cash flows is sensitive to the cash flow projections for the near future (generally 3–5 years) and to the estimated sector growth rate for the period beyond 3–5 years. The growth rates are based on historical data, updated to reflect the current situation, which implies estimation uncertainty.

The rates used to discount future expected cash flows are based on the long-term risk free interest rate plus a risk premium (post tax). The risk premium is based on external information of overall risk premiums in relevant countries.

For information on the sensitivity to changes in relevant parameters, see Note G20 "Intangible assets".

Impairment testing of loans to the public/credit institutions

Nordea's accounting policy for impairment testing of loans is described in section 14 "Loans to the public/credit institutions".

Management is required to exercise critical judgements and estimates when calculating loan impairment allowances on both individually assessed and collectively assessed loans. Nordea's total lending before impairment allowances was EUR 370,009m (EUR 367,782m) at the end of the year. For more information, see Note G13 "Loans and impairment".

The most judgemental area is the calculation of collective impairment allowances. When testing a group of loans collectively for impairment, judgement has to be exercised when identifying the events and/or the observable data that indicate that losses have been incurred in the group of loans. Nordea monitors its portfolio through rating migrations and a loss event is an event resulting in a negative rating migration. Assessing the net present value of the cash flows generated by the customers in the group of loans also includes estimation uncertainty. This includes the use of historical data on probability of default and loss given default supplemented by acquired experience when adjusting the assumptions based on historical data to reflect the current situation.

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Effectiveness testing of cash flow hedges

Nordea's accounting policies for cash flow hedges are described in section 10 "Hedge accounting".

One important judgement in connection to cash flow hedge accounting is the choice of method used for effectiveness testing.

Where Nordea applies cash flow hedge accounting the hedging instruments used are predominantly cross currency interest rate swaps, which are always held at fair value. The currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk. The hypothetical derivative method is used when measuring the effectiveness of these cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows on the hedged transaction (the currency component). Critical judgement has to be exercised when defining the characteristics of the perfect hypothetical swap.

Actuarial calculations of pension liabilities and plan assets related to employees

Nordea's accounting policy for post-employment benefits is described in section 22 "Employee benefits".

The defined benefit obligation for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used.

The estimation of the discount rate is subject to uncertainty around whether corporate bond markets are deep enough, of high quality and also in connection to the extrapolation of yield curves to relevant maturities. In Sweden, Norway and Denmark the discount rate is determined with reference to covered bonds and in Finland with reference to corporate bonds. Other parameters, like assumptions about salary increases and inflation, are based on the expected long-term development of these parameters and also subject to estimation uncertainty. The main parameters used at year-end are disclosed in Note G32 "Retirement benefit obligations" together with a description of the sensitivity to changes in assumptions. The defined benefit obligation was EUR 3,727m (EUR 3,130m) at the end of the year.

Actuarial calculations of insurance contracts

Nordea's accounting policy for insurance contracts is described in section 19 "Liabilities to policyholders".

A valuation of insurance liabilities includes estimations and assumptions, both financial and actuarial. One of the important financial assumptions is the interest rate used for discounting future cash flows. Important actuarial assumptions are those on mortality and disability, which affect the size and timing of the future cash flows. The financial and actuarial assumptions are, to a large extent, stipulated in local legislation and therefore not under Nordea's discretion. Also assumptions about future administrative and tax expenses have an impact on the calculation of policyholder liabilities.

The insurance liability was EUR 35,103m (EUR 33,489m) at the end of the year. The carrying amount's sensitivity to different assumptions is disclosed in Note G27 "Liabilities to policyholders".

Valuation of investment properties

Nordea's accounting policies for investment properties are described in section 18 "Investment properties".

Investment properties are measured at fair value. As there normally are no active markets for investment properties, the fair values are estimated based on discounted cash flow models. These models are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates.

The carrying amounts of investment properties were EUR 3,227m (EUR 3,524m) at the end of the year. See Note G22 "Investment properties" for more information on amounts and parameters used in these models.

Classification of leases

Nordea's accounting policies for leases are described in section 15 "Leasing".

Critical judgement has to be exercised when classifying lease contracts. A lease is classified as a finance lease if it transfers substantially all the risks and rewards related to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards related to ownership.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreements was initially 3–25 years with renewal options. The lease agreements include no transfers of ownerships of the assets by the end of the lease term, nor any economic benefit from appreciation in value of the leased properties. In addition, the lease term is not for the major part of the assets' economic life. As a result, Nordea has classified these leases as operating leases. This judgement is a critical judgement that has a significant impact on the carrying amounts in the financial statement. The carrying amount of these properties at the time of disposal was EUR 1.5bn.

More information on lease contracts can be found in Note G21 "Leasing".

Classification of additional tier 1 instruments

Nordea has issued perpetual subordinated instruments where the interest payments to the holders are at the discretion of Nordea and non-accumulating. These instruments also include a requirement for Nordea to pay interest if the instruments are no longer allowed to be included in tier 1 capital. If there is a requirement to pay interest based on the occurrence or non-occurrence of an uncertain future event that is beyond the control of both the issuer and the holder of the instrument, the instrument shall be classified as a financial liability. The inclusion of the subordinated loan in tier 1 capital is decided by the regulators and is thus beyond the control of Nordea and the holders of the instrument. Nordea classifies the instrument as financial liabilities.

Assessing control for consolidation purposes

One decisive variable when assessing if Nordea controls another entity is whether Nordea is exposed to variability in returns from the investment. For structured entities where voting rights are not the dominant factor when determining control, critical judgement has to be exercised when defining when Nordea is exposed to significant variability in returns. Nordea's critical judgement is that Nordea is normally

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exposed to variability in returns when Nordea receives more than 30% of the return produced by the structured entity. This is only relevant for structured entities where Nordea also is the investment manager and thus have influence over the return produced by the structured entity.

Another judgement relating to control is whether Nordea acts as an agent or as a principal. For unit linked and other contracts where the policyholder/depositor decides both the amount and which assets to invest in, Nordea is considered to act as an agent and thus does not have control.

Translation of assets and liabilities denominated in foreign currencies

Nordea's accounting policies covering the translation of assets and liabilities denominated in foreign currencies is described in section 9 "Translation of assets and liabilities denominated in foreign currencies".

When reporting consolidated financial statements, the parent company Nordea Bank AB (publ) has been assessed to have two functional currencies, SEK and EUR, based on the different activities. The functional currency of the normal banking operations is SEK and the functional currency of the entity holding equity, shares in group undertakings and the funding of those shares is EUR. It is Nordea's assessment that one legal entity can consist of different entities with different functional currencies.

Valuation of deferred tax assets

Nordea's accounting policy for the recognition of deferred tax assets is described in section 20 "Taxes" and Note G11 "Taxes".

The valuation of deferred tax assets is influenced by management's assessment of Nordea's future profitability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences. These assessments are updated and reviewed at each balance sheet date, and are, if necessary, revised to reflect the current situation.

The carrying amount of deferred tax assets was EUR 130m (EUR 62m) at the end of the year.

Claims in civil lawsuits

Within the framework of the normal business operations, Nordea faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently, none of the current disputes are considered likely to have any significant adverse effect on Nordea or its financial position. See also Note G31 "Provisions" and Note G36 "Contingent liabilities".

5. Principles of consolidation

Consolidated entities

The consolidated financial statements include the accounts of the parent company Nordea Bank AB (publ), and those entities that the parent company controls. Control exists when Nordea is exposed to variability in returns from its investments in another entity and has the ability to affect those returns through its power over the other entity. Control is generally achieved when the parent company owns, directly or indirectly through group undertakings, more than 50 per cent of the voting rights. For entities where voting rights does not decide control, see section "Structured entities" below.

All group undertakings are consolidated using the acquisition method, except for the forming of Nordea in 1997–98 when the holding in Nordea Bank Finland Plc was consolidated using the pooling method. Under the acquisition method, the acquisition is regarded as a transaction whereby the parent company indirectly acquires the group undertaking's assets and assumes its liabilities and contingent liabilities. The group's acquisition cost is established in a purchase price allocation analysis. In such analysis, the cost of the business combination is the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer, in exchange for the identifiable net assets acquired. Costs directly attributable to the business combination are expensed.

As at the acquisition date Nordea recognises the identifiable assets acquired and the liabilities assumed at their acquisition date fair values.

For each business combination Nordea measures the non-controlling interest in the acquired business either at fair value or at their proportionate share of the acquired identifiable net assets.

When the aggregate of the consideration transferred in a business combination and the amount recognised for non-controlling interest exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the excess is reported as goodwill. If the difference is negative, such difference is recognised immediately in the income statement.

Equity and net income attributable to non-controlling interests are separately disclosed on the balance sheet, income statement and statement of comprehensive income.

Intra-group transactions and balances between the consolidated group undertakings are eliminated.

The group undertakings are included in the consolidated accounts as from the date on which control is transferred to Nordea and are no longer consolidated as from the date on which control ceases.

In the consolidation process the reporting from the group undertakings is adjusted to ensure consistency with the IFRS principles applied by Nordea.

Note P21 "Investments in group undertakings" lists the major group undertakings in the Nordea Group.

Investments in associated undertakings

The equity method of accounting is used for associated undertakings where the share of voting rights is between 20 and 50 per cent and/or where Nordea has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control over those policies. Investments within Nordea's investment activities, which are classified as a venture capital organisation within Nordea, are measured at fair value in accordance with the rules set out in IAS 28 and IAS 39. Further information on the equity method is disclosed in section 6 "Recognition of operating income and impairment".

Profits from companies accounted for under the equity method are reported post-taxes in the income statement. Consequently, the tax expense related to these profits is not included in the income tax expense for Nordea.

Nordea does generally not have any sales or contribution of assets to or from associated undertakings. Other transactions between Nordea and its associates are not eliminated.

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Note G19 “Investments in associated undertakings” lists the major associated undertakings in the Nordea Group.

Structured entities

A structured entity is an entity created to accomplish a narrow and well defined objective where voting rights are not the dominant factor in determining control. Often legal arrangements impose strict limits on the decision making powers of the management over the on-going activities of a structured entity. The same consolidation requirements apply to these entities, but as voting rights do not decide whether control exists, other factors are used to determine control.

Power can exist due to agreements or other types of influence over a structured entity. Nordea normally has power over entities sponsored or established by Nordea. Nordea has created a number of structured entities to allow clients to invest in assets invested in by the structured entity. Some structured entities invest in tradable financial instruments, such as shares and bonds (mutual funds). Structured entities can also invest in structured credit products or acquire assets from customers of Nordea, although only one such structured entity currently exists. Nordea is generally the investment manager and has sole discretion about investments and other administrative decisions and thus has power over these entities.

Typically, Nordea will receive service and commission fees in connection with the creation of the structured entity, or because it acts as investment manager, custodian or in some other function. Such income is normally not significant enough to expose Nordea to variability in returns and will thus not trigger consolidation. In some structured entities Nordea has also supplied substantial parts of the funding in the form of fund units, loans or credit commitments. In these structured entities Nordea is exposed to variability in returns and as the power over these entities affects the return, these structured entities are consolidated. Nordea normally considers a share of more than 30% of the return produced by a structured entity to give rise to variability and thus give control. Variability is measured as the sum of fees received and revaluation of assets held. For unit linked and other contracts where the policyholder/depositor decide both the amount and which assets to invest in, Nordea is considered to act as an agent and does thus not have control.

Further information about consolidated and unconsolidated structured entities is disclosed in note G48 “Interests in structured entities”.

Currency translation of foreign entities

The consolidated financial statements are prepared in euro (EUR), the presentation currency of the parent company Nordea Bank AB (publ). The current method is used when translating the financial statements of foreign entities into EUR from their functional currency. The assets and liabilities of foreign entities have been translated at the closing rates, while items in the income statement and statement of comprehensive income are translated at the average exchange rate for the year. Translation differences are accounted for in other comprehensive income and are accumulated in the translation reserve in equity.

Goodwill and fair value adjustments arising from the acquisition of group undertakings are treated as items in the

same functional currency as the cash generating unit to which they belong and are also translated at the closing rate.

Information on the most important exchange rates is disclosed in the separate section 27 “Exchange rates”.

6. Recognition of operating income and impairment

Net interest income

Interest income and expense are calculated and recognised based on the effective interest rate method or, if considered appropriate, based on a method that results in an interest income or interest expense that is a reasonable approximation of using the effective interest rate method as basis for the calculation. The effective interest includes fees considered to be an integral part of the effective interest rate of a financial instrument (generally fees received as compensation for risk). The effective interest rate equals the rate that discounts the contractual future cash flows to the carrying amount of the financial asset or financial liability.

Interest income and expenses from financial instruments are, with the exceptions described below, classified as “Net interest income”.

Interest income and interest expense related to all balance sheet items held at fair value in Markets and Nordea Life & Pensions are classified as “Net result from items at fair value” in the income statement. Also the interest on the net funding of the operations in Markets is recognised on this line.

The interest component in FX swaps, and the interest paid and received in interest rate swaps plus changes in accrued interest, is classified as “Net result from items at fair value”, apart for derivatives used for hedging, including economical hedges of Nordea’s funding, where such components are classified as “Net interest income”.

Net fee and commission income

Nordea earns commission income from different services provided to its customers. The recognition of commission income depends on the purpose for which the fees are received. Fees are either recognised as revenue when services are provided or in connection to the execution of a significant act. Fees received in connection to performed services are recognised as income in the period these services are provided. A loan syndication fee received as payment for arranging a loan, as well as other fees received as payments for certain acts, are recognised as revenue when the act has been completed, i.e. when the syndication has been finalised.

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

Income from issued financial guarantees and expenses from bought financial guarantees, including fees paid to state guarantees, are amortised over the duration of the instruments and classified as “Fee and commission income” and “Fee and commission expense” respectively.

Net result from items at fair value

Realised and unrealised gains and losses on financial instruments measured at fair value through profit or loss are recognised in the item “Net result from items at fair value”.

Realised and unrealised gains and losses derive from:

- Shares/participations and other share-related instruments

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- Interest-bearing securities and other interest-related instruments
- Other financial instruments, including credit derivatives as well as commodity instruments/derivatives
- Foreign exchange gains/losses
- Investment properties, which include realised and unrealised income, for instance revaluation gains and losses. This line also includes realised results from disposals as well as the running property yield stemming from the holding of investment properties.

Interest income and interest expense related to all balance sheet items held at fair value in Markets and Nordea Life & Pensions are classified as “Net result from items at fair value” in the income statement. Also the interest on the net funding of the operations in Markets is recognised on this line.

Also the ineffective portion of cash flow hedges and net investment hedges as well as recycled gains and losses on financial instruments classified into the category Available for sale are recognised in “Net result from items at fair value”.

This item also includes realised gains and losses from financial instruments measured at amortised cost, such as interest compensation received and realised gains/losses on buy-backs of issued own debt.

“Net result from items at fair value” includes also losses from counterparty risk on instruments classified into the category Financial assets at fair value through profit or loss as well as impairment on instruments classified into the category Available for sale. However, the fair value adjustments of credit risk on loans granted in accordance with the Danish mortgage finance law (see section 13 “Financial instruments” and Note G40 “Assets and liabilities at fair value”) are reported under “Net loan losses”. Impairment losses from instruments within other categories are recognised in the items “Net loan losses” or “Impairment of securities held as financial non-current assets” (see also the sub-sections “Net loan losses” and “Impairment of securities held as financial non-current assets” below).

Dividends received are recognised in the income statement as “Net result from items at fair value” and classified as “Shares/participations and other share-related instruments” in the note. Income is recognised in the period in which the right to receive payment is established.

The income recognition and descriptions of the lines relating to life insurance are described in section 7 “Income recognition life insurance” below.

Profit from companies accounted for under the equity method

The profit from companies accounted for under the equity method is defined as the post-acquisition change in Nordea’s share of net assets in the associated undertakings. Nordea’s share of items accounted for in other comprehensive income in the associated undertakings is accounted for in other comprehensive income in Nordea. Profits from companies accounted for under the equity method are, as stated in section 5 “Principles of consolidation”, reported in the income statement post-taxes. Consequently the tax expense related to these profits is excluded from the income tax expense for Nordea.

Fair values are, at acquisition, allocated to the associated undertaking’s identifiable assets, liabilities and contingent liabilities. Any difference between Nordea’s share of the fair values of the acquired identifiable net assets and the purchase price is goodwill or negative goodwill. Goodwill is included in the carrying amount of the associated undertaking. Subsequently the investment in the associated undertaking increases/decreases with Nordea’s share of the post-acquisition change in net assets in the associated undertaking and decreases through received dividends and impairment. An impairment charge can be reversed in a subsequent period.

The change in Nordea’s share of the net assets is generally based on monthly reporting from the associated undertakings. For some associated undertakings not individually significant the change in Nordea’s share of the net assets is based on the external reporting of the associated undertakings and affects the financial statements of Nordea in the period in which the information is available. The reporting from the associated undertakings is, if applicable, adjusted to comply with Nordea’s accounting policies.

Other operating income

Net gains from divestments of shares in group undertakings and associated undertakings and net gains on sale of tangible assets as well as other operating income, not related to any other income line, are generally recognised when it is probable that the benefits associated with the transaction will flow to Nordea and if the significant risks and rewards have been transferred to the buyer (generally when the transactions are finalised).

Net loan losses

Impairment losses from financial assets classified into the category Loans and receivables (see section 13 “Financial instruments”), in the items “Loans to central banks”, “Loans to credit institutions” and “Loans to the public” on the balance sheet, are reported as “Net loan losses” together with losses from financial guarantees (including state guarantees in Denmark). Also the fair value adjustments of credit risk on loans granted in accordance with the Danish mortgage finance law (see section 13 “Financial instruments” and Note G40 “Assets and liabilities at fair value”) are reported under “Net loan losses”. Losses are reported net of any collateral and other credit enhancements. Nordea’s accounting policies for the calculation of impairment losses on loans can be found in section 14 “Loans to the public/credit institutions”.

Counterparty losses on instruments classified into the category Financial assets at fair value through profit or loss, including credit derivatives but excluding loans held at fair value as described above, as well as impairment on financial assets classified into the category Available for sale are reported under “Net result from items at fair value”.

Impairment of securities held as financial non-current assets

Impairment on investments in interest-bearing securities, classified into the categories Loans and receivables or Held to maturity, and on investments in associated undertakings are classified as “Impairment of securities held as financial non-current assets” in the income statement. The policies covering impairment of financial assets classified into the

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categories Loans and receivables and Held to maturity are disclosed in section 13 “Financial instruments” and section 14 “Loans to the public/credit institutions”.

If observable indicators (loss events) indicate that an associated undertaking is impaired, an impairment test is performed to assess whether there is objective evidence of impairment. The carrying amount of the investment in the associate is compared with the recoverable amount (higher of value in use and fair value less cost to sell) and the carrying amount is written down to the recoverable amount if required.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

7. Income recognition life insurance

Premiums received, and repayments to policyholders, related to the saving part of the life insurance contracts are reported as increases or decreases of liabilities to policyholders. See further information in section 19 “Liabilities to policyholders”.

The total income from life insurance mainly consists of the following components:

- Cost result
- Insurance risk result
- Risk and performance margin
- Investment return on additional capital in life insurance

The result from these components is, except for the cost result and the risk and performance margin relating to Unit Linked and Investment contracts, included in “Net result from items at fair value”.

The cost result is the result of expense loading from policyholders and is included in the item “Fee and commission income”, together with the risk and performance margin relating to Unit Linked and Investment contracts. The related expenses are included in the items “Fee and commission expense” and “Operating expenses”. The policyholder’s part of a positive or negative cost result (profit sharing) is included in the note line “Change in technical provisions, Life insurance” within Note G5 “Net result from items at fair value”.

The insurance risk result consists of income from individual risk products and from unbundled life insurance contracts as well as Health and personal accident insurance. The risk premiums are amortised over the coverage period as the provisions are reduced when insurance risk is released. A large part of the unbundled risk result from traditional life insurance is subject to profit sharing, which means that the policyholders receive a part of a net income or a net deficit. The risk income and the risk expenses are presented gross on the lines “Insurance risk income, Life insurance” and “Insurance risk expense, Life insurance” in Note G5 “Net result from items at fair value”. The policyholder’s part of the result is included in the line “Change in technical provisions, Life insurance” in the note.

Gains and losses derived from investments in Nordea Life & Pensions are split on the relevant lines in Note G5 “Net result from items at fair value” as for any other

investment in Nordea. The lines include investment return on assets held to cover liabilities to policyholders and return on the additional capital allocated to Nordea Life & Pensions (Shareholders capital in the Nordea Life & Pensions group).

The note line “Change in technical provisions, Life insurance” in Note G5 “Net result from items at fair value” includes:

- Investment returns on assets held to cover liabilities to policyholders (including liabilities from traditional life insurance, unit linked insurance and investment contracts), individually transferred to policyholders’ accounts according to the contracts.
- Additional bonus (discretionary participation feature) to policyholders concerning traditional life insurance contracts or any other transfers to the policyholders to cover a periodical deficit between the investment result and any agreed minimum benefit to the policyholders.
- Risk and performance margin regarding traditional life insurance products according to local allocation rules in each Nordea Life & Pensions unit and according to contracts with policyholders. The recognition of a risk and performance margin in the income statement is mainly conditional on a positive result for traditional life insurance contracts. Risk and performance margins not possible to recognise in the current period due to poor investment results can, in some countries, partly or wholly be deferred to years with higher returns.
- The policyholders’ part of the cost- and risk result regarding traditional life insurance contracts or unit linked contracts.

The note line “Change in collective bonus potential, Life insurance” in Note G5 “Net result from items at fair value” relates only to traditional life insurance contracts. The line includes policyholders’ share of investment returns not yet individualised. The line includes also additional bonus (discretionary participation feature) and amounts needed to cover a periodical deficit between the investment result and any minimum benefits to the policyholders.

8. Recognition and derecognition of financial instruments on the balance sheet

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised (reclassified to the items “Other assets” or “Other liabilities” on the balance sheet between trade date and settlement date) from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial asset expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterpart has performed by e.g. repaying a loan to Nordea, i.e. on settlement date.

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet, but

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retains either all or a portion of risks and rewards from the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. If Nordea's counterpart can sell or repledge the transferred assets, the assets are reclassified to the item "Financial instruments pledged as collateral" on the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include e.g. securities lending agreements and repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea performs, for example when Nordea repays a deposit to the counterpart, i.e. on settlement date. Financial liabilities under trade date accounting are generally reclassified to "Other liabilities" on the balance sheet on trade date.

For further information, see sections "Securities borrowing and lending agreements" and "Repurchase and reverse repurchase agreements" within section 13 "Financial instruments", as well as Note G43 "Transferred assets and obtained collaterals".

9. Translation of assets and liabilities denominated in foreign currencies

The functional currency of each entity is decided based upon the primary economic environment in which the entity operates. The parent company Nordea Bank AB (publ) uses two functional currencies, SEK and EUR for reporting in consolidated accounts, based on the different activities in the underlying business.

Foreign currency is defined as any currency other than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement in the item "Net result from items at fair value".

Translation differences on financial instruments that are designated hedging instruments in a hedge of a net investment in a group undertaking are recognised in other comprehensive income, to the extent the hedge is effective. This is performed in order to offset the translation differences affecting other comprehensive income when consolidating the group undertaking into Nordea. Any ineffectiveness is recognised in the income statement in the item "Net result from items at fair value".

10. Hedge accounting

Nordea applies the EU carve out version of IAS 39 for portfolio hedges of both assets and liabilities. The EU carve out macro hedging enables a group of derivatives (or proportions thereof) to be viewed in combination and be designated as the hedging instrument. It also removes some of the limitations in fair value hedge accounting relating to hedging core deposits and under-hedging strategies.

Nordea uses hedge accounting in order to have a symmetrical accounting treatment of the changes in fair value

of the hedged item and changes in fair value of the hedging instruments as well as to hedge the exposure to variability in future cash flows and the exposure to net investments in foreign operations.

There are three forms of hedge accounting:

- Fair value hedge accounting
- Cash flow hedge accounting
- Hedges of net investments

Fair value hedge accounting

Fair value hedge accounting is used when derivatives are hedging changes in fair value of a recognised asset or liability attributable to a specific risk. The risk of changes in fair value of assets and liabilities in Nordea's financial statements originates mainly from loans, securities and deposits with a fixed interest rate, causing interest rate risk. Changes in fair value from derivatives as well as changes in fair value of the hedged item attributable to the risks being hedged are recognised separately in the income statement in the item "Net result from items at fair value". Given an effective hedge, the two changes in fair value will more or less balance, meaning the net result is close to zero. The changes in fair value of the hedged item attributable to the risks hedged with the derivative instrument are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value change of the hedged items held at amortised cost in a portfolio hedge of interest rate risks is reported separately from the portfolio in the item "Fair value changes of the hedged items in portfolio hedge of interest rate risk" on the balance sheet.

Fair value hedge accounting in Nordea is performed mainly on a portfolio basis. Any ineffectiveness is recognised in the income statement under the item "Net result from items at fair value".

Hedged items

A hedged item in a fair value hedge can be a recognised single asset or liability, an unrecognised firm commitment, or a portion thereof. The hedged item can also be a group of assets, liabilities or firm commitments with similar risk characteristics. Hedged items in Nordea consist of both individual assets or liabilities and portfolios of assets and/or liabilities.

Hedging instruments

The hedging instruments used in Nordea are predominantly interest rate swaps and cross currency interest rate swaps, which are always held at fair value. Cash instruments are only used as hedging instruments when hedging currency risk.

Cash flow hedge accounting

Cash flow hedge accounting can be used for the hedging of exposure to variations in future interest payments on instruments with variable interest rates and for the hedging of currency exposures. The portion of the gain or loss on the hedging instrument, that is determined to be an effective hedge, is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The ineffective portion of the gain or loss on the hedging instrument is recycled to the item "Net result

from items at fair value” in the income statement.

Gains or losses on hedging instruments recognised in the cash flow hedge reserve in equity through other comprehensive income are recycled and recognised in the income statement in the same period as the hedged item affects profit or loss, normally in the period that interest income or interest expense is recognised.

Hedged items

A hedged item in a cash flow hedge can be highly probable floating interest rate cash flows from recognised assets or liabilities or from future assets or liabilities. Nordea uses cash flow hedges when hedging currency risk in future payments of interest and principal in foreign currency.

Hedging instruments

The hedging instruments used in Nordea are predominantly cross currency interest rate swaps, which are always held at fair value, where the currency component is designated as a cash flow hedge of currency risk and the interest component as a fair value hedge of interest rate risk.

Hedges of net investments

See separate section 9 “Translation of assets and liabilities denominated in foreign currencies”.

Hedge effectiveness

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if at inception and throughout its life it can be expected that changes in fair value of the hedged item as regards the hedged risk can be essentially offset by changes in fair value of the hedging instrument. The result should be within a range of 80–125 per cent. When assessing hedge effectiveness retrospectively Nordea measures the fair value of the hedging instruments and compares the change in fair value of the hedging instrument to the change in fair value of the hedged item. The effectiveness measurement is made on a cumulative basis. The hypothetical derivative method is used when measuring the effectiveness of cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows from the hedged transaction (the currency component).

If the hedge relationship does not fulfil the requirements, hedge accounting is terminated. For fair value hedges the hedging instrument is reclassified to a trading derivative and the change in the fair value of the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

In cash flow hedges, changes in the unrealised value of the hedging instrument will prospectively from the last time it was proven effective be accounted for in the income statement. The cumulative gain or loss on the hedging instrument that has been recognised in the cash flow hedge reserve in equity through other comprehensive income from the period when the hedge was effective is reclassified from equity to “Net result from items at fair value” in the income statement if the expected transaction no longer is expected to occur. If the expected transaction no longer is highly probable, but is still expected to occur, the cumulative gain or loss on the

hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective remains in other comprehensive income until the transaction occurs or is no longer expected to occur.

11. Determination of fair value of financial instruments

Financial assets and liabilities classified into the categories Financial assets/liabilities at fair value through profit or loss (including derivative instruments) are recorded at fair value on the balance sheet with changes in fair value recognised in the income statement in the item “Net result from items at fair value”.

Fair value is defined as the price that at the measurement date would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under current market conditions in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist they are used to measure financial assets and financial liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis. The absolute level for liquidity and volume required for a market to be considered active vary with the instrument classes. For some classes low price volatility is seen, also for those instruments within the class where the trade frequency is high. For instruments in such a class the liquidity requirements are lower and, correspondingly, the age limit for the prices used for establishing fair value is higher.

If markets are active or non-active is assessed regularly. The trade frequency and volume are monitored daily.

Nordea is predominantly using published price quotations to establish fair value for items disclosed under the following balance sheet items:

- Interest-bearing securities
- Shares (listed)
- Derivatives (listed)
- Debt securities in issue (issued mortgage bonds in Nordea Kredit Realkreditaktieselskab)

If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. The adequacy of the valuation technique, including an assessment of whether to use quoted prices or theoretical prices, is monitored on a regular basis.

Valuation techniques can range from simple discounted cash flow analysis to complex option pricing models. Valuation models are designed to apply observable market prices and rates as input whenever possible, but can also make use of unobservable model parameters. The adequacy of the valuation model is assessed by measuring its capability to hit market prices. This is done by comparison of calculated prices to relevant benchmark data, e.g. quoted prices from exchanges, the counterparty’s valuations, price data from consensus services etc.

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Nordea is predominantly using valuation techniques to establish fair value for items disclosed under the following balance sheet items:

- Loans to the public (mortgage loans in Nordea Kredit Realkreditaktieselskab)
- Interest-bearing securities (when quoted prices in an active market are not available)
- Shares (when quoted prices in an active market are not available)
- Derivatives (OTC-derivatives)

For financial instruments, where fair value is estimated by a valuation technique, it is investigated whether the variables used in the valuation model are predominantly based on data from observable markets. By data from observable markets, Nordea considers data that can be collected from generally available external sources and where this data is judged to represent realistic market prices. If non-observable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the non-observable data becomes observable.

Note G40 “Assets and liabilities at fair value” provides a breakdown of fair values of financial instruments measured on the basis of:

- quoted prices in active markets for the same instrument (level 1),
- valuation technique using observable data (level 2), and
- valuation technique using non-observable data (level 3).

The valuation models applied by Nordea are consistent with accepted economic methodologies for pricing financial instruments and incorporate the factors that market participants consider when setting a price.

New valuation models are subject to approval by a Model Risk Management Committee and all models are reviewed on a regular basis.

For further information, see Note G40 “Assets and liabilities at fair value”.

12. Cash and balances with central banks

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

- The central bank or the postal giro system is domiciled in the country where the institutions is established
- The balance is readily available at any time

13. Financial instruments

Classification of financial instruments

Each financial instrument has been classified into one of the following categories:

Financial assets:

- Financial assets at fair value through profit or loss:
 - Held for trading

- Designated at fair value through profit or loss (fair value option)

- Loans and receivables
- Held to maturity
- Available for sale

Financial liabilities:

- Financial liabilities at fair value through profit or loss:
 - Held for trading
 - Designated at fair value through profit or loss (fair value option)
- Other financial liabilities

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured on the balance sheet and how changes in its value are recognised. In Note G39 “Classification of financial instruments” the classification of the financial instruments on Nordea’s balance sheet into different categories is presented.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. All changes in fair values are recognised directly in the income statement in the item “Net result from items at fair value”.

The category consists of two sub-categories; Held for trading and Designated at fair value through profit or loss (fair value option).

The sub-category Held for trading mainly contains derivative instruments that are held for trading purposes, interest-bearing securities and shares within Markets and Treasury. It also contains trading liabilities such as short-selling positions and lending in reverse repurchase agreements.

The major parts of the financial assets/liabilities classified into the category Designated at fair value through profit or loss are mortgage loans and related issued bonds in the Danish subsidiary Nordea Kredit Realkreditaktieselskab and interest-bearing securities, shares and investment contracts in Nordea Life & Pensions.

Assets and liabilities in Nordea Kredit Realkreditaktieselskab are classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. When Nordea grants mortgage loans to customers in accordance with the Danish mortgage finance law Nordea at the same time issues bonds with matching terms, so called “match funding”. The customers can repay the loans either through repayments of the principal or by purchasing the issued bonds and return them to Nordea as a settlement of the loan. The bonds play an important part in the Danish money market and Nordea consequently buys and sells own bonds in the market. If the loans and bonds were measured at amortised cost such buy-backs of bonds would give rise to an accounting mismatch as any gains or losses would have to be recognised immediately in the income statement. If such bonds are subsequently sold in the market any premium or discount would be amortised over the expected

maturity, which would also create an accounting mismatch. To avoid such an accounting mismatch Nordea measures both the loans and bonds at fair value through profit or loss.

Interest-bearing securities, shares and investment contracts (defined in section 19 “Liabilities to policyholders”) in Nordea Life & Pensions are generally also classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. The investment contracts (unit-linked) classified as “Liabilities to policyholders” on the balance sheet are managed at fair value and consequently classified into the category Designated at fair value through profit or loss. This applies also to assets held under insurance contracts (defined in section 19 “Liabilities to policyholders”), which are classified into the category Designated at fair value through profit or loss to reduce an accounting mismatch with the liabilities to policyholders that are generally measured at current value.

Also assets held under so called “pooled schemes”, which is a product similar to unit-linked insurance, are classified into the category Designated at fair value through profit or loss to avoid an accounting mismatch with the related deposits that are managed at fair value and consequently also classified into the category Designated at fair value through profit or loss.

Nordea also applies the fair value option on certain financial assets and financial liabilities related to Markets. The classification stems from that Markets is managing and measuring its financial assets and liabilities at fair value. Consequently, the majority of financial assets and financial liabilities in Markets are classified into the categories Financial assets/Financial liabilities at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. These assets and their impairment are further described in the separate section 14 “Loans to the public/credit institutions”.

Held to maturity

Financial assets that Nordea has chosen to classify into the category Held to maturity are non-derivative financial assets with fixed or determinable payments and fixed maturity that Nordea has the positive intent and ability to hold to maturity. Financial assets classified into the category Held to maturity are initially recognised on the balance sheet at the acquisition price, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method.

If more than an insignificant amount of the Held to maturity portfolio is sold or transferred the Held to maturity category is tainted, except for if the sale or transfer either occur close to maturity, after substantially all of the original principal is already collected, or due to an isolated non-recurring event beyond the control of

Nordea.

Nordea assesses at each reporting date whether there is any objective evidence that the asset is impaired. If there is such evidence, an impairment loss is recorded. The loss is calculated as the difference between the carrying amount and the present value of estimated future cash flows and is recognised as “Impairment of securities held as financial non-current assets” in the income statement. See section 14 “Loans to the public/credit institutions” for more information on the identification and measurement of objective evidence of impairment, which is applicable also for interest-bearing securities classified into the category Held to maturity.

Available for sale

Financial instruments classified into the category Available for sale are measured at fair value. Changes in fair values, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity through other comprehensive income. Interest is recognised in the item “Interest income” and foreign exchange effects and impairment losses in the item “Net result from items at fair value” in the income statement.

When an instrument classified into the category Available for sale is disposed of, the fair value changes that previously have been accumulated in the fair value reserve (related to Available for sale investments) in other comprehensive income are removed from equity and recognised in the income statement in the item “Net result from items at fair value”.

Financial assets classified into the category Available for sale are assessed in order to determine any need for impairment losses. If there is objective evidence of impairment, the accumulated loss that has been recognised in other comprehensive income is removed from equity and recognised as “Net result from items at fair value” in the income statement. The amount of the accumulated loss that is recycled from equity is the difference between the asset’s acquisition cost and current fair value. For equity investments a prolonged or significant decline in the fair value, compared to the acquisition cost, is considered to be objective evidence of impairment. Objective evidence of impairment for a debt instrument is rather connected to a loss event, such as an issuer’s financial difficulty.

Other financial liabilities

Financial liabilities, other than those classified into the category Financial liabilities at fair value through profit or loss, are measured at amortised cost. Interest on Other financial liabilities is recognised in the item “Interest expense” in the income statement.

Hybrid (combined) financial instruments

Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds.

Index-linked bonds issued by Group Treasury are considered to be part of the funding activities. The zero coupon bond, is measured at amortised cost. The embedded

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derivatives in those instruments are separated from the host contract and accounted for as stand-alone derivatives at fair value, if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, and the embedded derivative meets the definition of a derivative instrument. Changes in fair values, of the embedded derivatives, are recognised in the income statement in the item “Net result from items at fair value”.

Index-linked bonds issued by Markets as part of the trading portfolio are classified into the category Held for trading, and the entire combined instrument, host contract together with the embedded derivative, is measured at fair value through profit or loss. Changes in fair values are recognised in the income statement in the item “Net result from items at fair value”.

Securities borrowing and lending agreements

Generally, securities borrowing and securities lending transactions are entered into on a collateralised basis. Unless the risks and rewards of ownership are transferred, the securities are not recognised on or derecognised from the balance sheet. In the cases where the counterparty is entitled to resell or repledge the securities, the securities are reclassified to the balance sheet item “Financial instruments pledged as collateral”.

Securities in securities lending transactions are also disclosed in the item “Assets pledged as security for own liabilities”.

Cash collateral advanced (securities borrowing) to the counterparts is recognised on the balance sheet as “Loans to central banks”, “Loans to credit institutions” or as “Loans to the public”. Cash collateral received (securities lending) from the counterparts is recognised on the balance sheet as “Deposits by credit institutions” or as “Deposits and borrowings from the public”.

Repurchase and reverse repurchase agreements

Securities delivered under repurchase agreements and securities received under reverse repurchase agreements are not derecognised from or recognised on the balance sheet. In the cases where the counterparty has the right to resell or repledge the securities, the securities are reclassified to the balance sheet line “Financial instruments pledged as collateral”.

Securities delivered under repurchase agreements are also disclosed in the item “Assets pledged as security for own liabilities”.

Cash received under repurchase agreements is recognised on the balance sheet as “Deposits by credit institutions” or as “Deposits and borrowings from the public”. Cash delivered under reverse repurchase agreements is recognised on the balance sheet as “Loans to central banks”, “Loans to credit institutions” or as “Loans to the public”.

Additionally, the sale of securities received in reverse repurchase agreements trigger the recognition of a trading liability (short sale).

Derivatives

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with total positive fair

values, including any accrued interest, are recognised as assets in the item “Derivatives” on the asset side. Derivatives with total negative fair values, including any accrued interest, are recognised as liabilities in the item “Derivatives” on the liability side.

Realised and unrealised gains and losses from derivatives are recognised in the income statement in the item “Net result from items at fair value”.

Offsetting of financial assets and liabilities

Nordea offsets financial assets and liabilities on the balance sheet if there is a legal right to offset, in the ordinary course of business and in case of bankruptcy, and if the intent is to settle the items net or realise the asset and settle the liability simultaneously. This is generally achieved through the central counterparty clearing houses that Nordea has agreements with.

Exchanged traded derivatives are generally accounted for as settled on a daily basis when cash is paid or received and the instrument is reset to market terms. Derivative assets and liabilities against central counterparty clearing houses are, as mentioned above, generally set off on the balance sheet, but net cash collateral received or paid is generally accounted for separately as cash collateral paid (asset) or received (liability), which is also the case for cash collateral paid or received in bilateral OTC derivative transactions. Cash collateral paid or received in bilateral OTC derivative transactions are consequently not offset against the fair value of the derivatives.

Issued debt and equity instruments

A financial instrument issued by Nordea is either classified as a financial liability or equity. Issued financial instruments are classified as a financial liability if the contractual arrangement results in Nordea having a present obligation to either deliver cash or another financial asset, or a variable number of equity instruments to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and classified as equity, net of transaction costs. Where issued financial instruments contain both liability and equity components, these are accounted for separately.

14. Loans to the public/credit institutions

Financial instruments classified as “Loans to the public/credit institutions” (including loans to central banks) on the balance sheet and into the category Loans and receivables are measured at amortised cost (see also the separate section 8 “Recognition and derecognition of financial instruments on the balance sheet” as well as Note G39 “Classification of financial instruments”).

Nordea monitors loans as described in the separate section on Risk, Liquidity and Capital management. Loans attached to individual customers or groups of customers are identified as impaired if the impairment tests indicate an objective evidence of impairment.

Also interest-bearing securities classified into the categories Loans and receivables and Held to maturity are held at amortised cost and the description below is valid also for the identification and measurement of impairment on these assets. Possible impairment losses on interest-bearing securities classified into the categories Loans and

receivables and Held to maturity are recognised as “Impairment of securities held as non-current financial assets” in the income statement.

Impairment test of individually assessed loans

Nordea tests all loans for impairment on an individual basis. The purpose of the impairment tests is to find out if the loans have become impaired. As a first step in the identification process for impaired loans, Nordea monitors whether there are indicators of impairment (loss event) and whether these loss events represent objective evidence of impairment. More information on the identification of loss events can be found in the Risk, Liquidity and Capital management section.

Loans that are not individually impaired will be transferred to a group of loans with similar risk characteristics for a collective impairment test.

Impairment test of collectively assessed loans

Loans not impaired on an individual basis are collectively tested for impairment.

These loans are grouped on the basis of similar credit risk characteristics that are indicative of the debtors' ability to pay all amounts due according to the contractual terms. Nordea monitors its portfolio through rating migrations, the credit decision and annual review process supplemented by quarterly risk reviews. Through these processes Nordea identifies loss events indicating incurred losses in a group. A loss event is an event resulting in a deterioration of the expected future cash flows. Only loss events incurred up to the reporting date are included when performing the assessment of the group.

The objective for the group assessment process is to evaluate if there is a need to make a provision due to the fact that a loss event has occurred, which has not yet been identified on an individual basis. This period between the date when the loss event occurred and the date when it is identified on an individual basis is called “Emergence period”. The impairment remains related to the group of loans until the losses have been identified on an individual basis. The identification of the loss is made through a default of the engagement or by other indicators.

For corporate customers and bank counterparts, Nordea uses the existing rating system as a basis when assessing the credit risk. Nordea uses historical data on probability of default to estimate the risk for a default in a rating class. These loans are rated and grouped mostly based on type of industry and/or sensitivity to certain macro parameters, e.g. dependency to oil prices etc.

Personal customers and small corporate customers are monitored through scoring models. These are based mostly on historical data, as default rates and loss rates given a default, and experienced judgement performed by management. Rating and scoring models are described in more detail in the separate section on Risk, Liquidity and Capital management.

The collective assessment is performed through a netting principle, i.e. when rated engagements are up-rated due to estimated increases in cash flows, this improvement will be netted against losses on loans that are down-rated due to estimated decreases in cash-flows. Netting is only performed within groups with similar risk character-

istics where Nordea assesses that the customers' future cash flows are insufficient to serve the loans in full.

Impairment loss

If the carrying amount of the loans is higher than the sum of the net present value of estimated cash flows (discounted with the original effective interest rate), including the fair value of the collaterals and other credit enhancements, the difference is the impairment loss.

For significant loans that have been individually identified as impaired the measurement of the impairment loss is made on an individual basis.

For insignificant loans that have been individually identified as impaired and for loans not identified as impaired on an individual basis the measurement of the impairment loss is measured using a portfolio based expectation of the future cash flows.

If the impairment loss is not regarded as final, the impairment loss is accounted for on an allowance account representing the accumulated impairment losses. Changes in the credit risk and accumulated impairment losses are accounted for as changes in the allowance account and as “Net loan losses” in the income statement (see also section 6 “Recognition of operating income and impairment”).

If the impairment loss is regarded as final, it is reported as a realised loss and the value of the loan and the related allowance for impairment loss are derecognised. An impairment loss is regarded as final when the obligor is filed for bankruptcy and the administrator has declared the economic outcome of the bankruptcy procedure, or when Nordea forgives its claims either through a legal based or voluntary reconstruction or when Nordea, for other reasons, deem it unlikely that the claim will be recovered.

Discount rate

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation of using the effective interest rate method as basis for the calculation.

Restructured loans

In this context a restructured loan is defined as a loan where Nordea has granted concessions to the obligor due to its deteriorated financial situation and where this concession has resulted in an impairment loss for Nordea. After a reconstruction the loan is normally regarded as not impaired if it performs according to the new conditions. Concessions made in reconstructions are regarded as loan losses unless Nordea retains the possibility to regain the loan losses incurred. In the event of a recovery the payment is reported as a recovery of loan losses.

Assets taken over for protection of claims

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquire an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea. For

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example a property taken over, not held for Nordea's own use, is reported together with other investment properties.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised as "Net loan losses".

The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified into the categories Available for sale or Designated at fair value through profit or loss (fair value option) (see section 13 "Financial instruments") and measured at fair value. Changes in fair values are recognised in other comprehensive income for assets classified into the category Available for sale. For assets classified into the category Designated at fair value through profit or loss, changes in fair value are recognised in the income statement under the line "Net result from items at fair value".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's presentation policies for the appropriate asset. "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.

15. Leasing

Nordea as lessor

Finance leases

Nordea's leasing operations mainly comprise finance leases. A finance lease is reported as a receivable from the lessee in the balance sheet item "Loans to the public" at an amount equal to the net investment in the lease. The lease payment, excluding cost of services, is recorded as repayment of principal and interest income. The income allocation is based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of the finance lease.

Operating leases

Assets subject to operating leases on the balance sheet are reported in accordance with the nature of the assets, in general as properties and equipment. Leasing income is recognised as income on a straight-line basis over the lease term and classified as "Net interest income". The depreciation of the leased assets is calculated on the basis of Nordea's depreciation policy for similar assets and reported as "Depreciation, amortisation and impairment charges of tangible and intangible assets" in the income statement.

Nordea as lessee

Finance leases

Finance leases are recognised as assets and liabilities on the balance sheet at the amount equal to the fair value, or if lower, the present value of the minimum lease payments of the leased assets at the inception of the lease. The assets are reported in accordance with the nature of the assets. Lease payments are apportioned between finance charge and reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the

remaining balance of the liability for each period. A finance lease also gives rise to a depreciation expense for the leased asset. The depreciation policy is consistent with that of the assets in own use. Impairment testing of leased assets is performed following the same principles as for similar owned assets.

Operating leases

Operating leases are not recognised on Nordea's balance sheet. For operating leases the lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term unless another systematic way better reflects the time pattern of Nordea's benefit. The original lease terms normally range between 3 to 25 years.

Operating leasing is mainly related to office premises contracts and office equipment contracts normal to the business.

The central district properties in Finland, Norway and Sweden that Nordea has divested are leased back. The duration of the lease agreements was initially 3–25 years with renewal options. The lease agreements include no transfers of ownerships of the asset by the end of the lease term, nor any economic benefits from appreciation in value of the leased properties. In addition, the lease term is not for the major part of the assets' economic life. These leases are thus classified as operating leases. The rental expense for these premises is recognised on the basis of the time-pattern of Nordea's economic benefit which differs from the straight-line basis and better resembles an ordinary rental arrangement.

Embedded leases

Agreements can contain a right to use an asset in return for a payment, or a series of payments, although the agreement is not in the legal form of a leasing contract. If applicable, these assets are separated from the contract and accounted for as leased assets.

16. Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under Nordea's control, which means that Nordea has the power and rights to obtain the future economic benefits flowing from the underlying resource. The intangible assets in Nordea mainly consist of goodwill, IT-development/computer software and customer related intangible assets.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of Nordea's share of net identifiable assets of the acquired group undertaking/associated undertaking at the date of acquisition. Goodwill on acquisition of group undertakings is included in "Intangible assets". Goodwill on acquisitions of associates is not recognised as a separate asset, but included in "Investments in associated undertakings". Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill cannot be reversed in subsequent periods. Goodwill related to associated undertakings is not tested for impairment separately, but included in the total carrying amount of the associated undertak-

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ings. The policies covering impairment testing of associated undertakings is disclosed in section 6 “Recognition of operating income and impairment”.

IT-development/Computer software

Costs associated with maintaining computer software programs are expensed as incurred. Costs directly associated with major software development investments, with the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditures directly attributable to preparing the asset for use. Computer software includes also acquired software licenses not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of 3 to 10 years.

Customer related intangible assets

In business combinations a portion of the purchase price is normally allocated to a customer related intangible asset, if the asset is identifiable and under Nordea’s control. An intangible asset is identifiable if it arises from contractual or legal rights, or could be separated from the entity and sold, transferred, licenced, rented or exchanged. The asset is amortised over its useful life, generally over 10 years.

Impairment

Goodwill is not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

At each balance sheet date, all intangible assets with definite useful lives are reviewed for indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the intangible asset is fully recoverable.

The recoverable amount is the higher of fair value less costs to sell and the value in use of the asset or the cash-generating unit, which is defined as the smallest identifiable group of assets that generates largely independent cash flows in relation to other assets. For goodwill, the cash generating units are defined as the operating segments. The value in use is the present value of the cash flows expected to be realised from the asset or the cash-generating unit. The cash flows are assessed based on the asset or cash-generating unit in its current condition and discounted at a rate based on the long-term risk free interest rate plus a risk premium (post tax). If the recoverable amount is less than the carrying amount, an impairment loss is recognised. See Note G20 “Intangible assets” for more information on the impairment testing.

17. Properties and equipment

Properties and equipment includes own-used properties, leasehold improvements, IT equipment, furniture and other equipment. Items of properties and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of properties and equipment comprise its purchase price,

as well as any directly attributable costs of bringing the asset to the working condition for its intended use. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items.

Properties and equipment is depreciated on a straight-line basis over the estimated useful life of the assets. The estimates of the useful life of different assets are reassessed on a yearly basis. Below follows the current estimates:

Buildings	30–75 years
Equipment	3–5 years
Leasehold improvements	Changes within buildings the shorter of 10 years and the remaining leasing term. New construction the shorter of the principles used for owned buildings and the remaining leasing term. Fixtures installed in leased properties are depreciated over the shorter of 10–20 years and the remaining leasing term.

At each balance sheet date, Nordea assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated and any impairment loss is recognised.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount, but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

18. Investment properties

Investment properties are primarily properties held to earn rent and/or capital appreciation. The majority of the properties in Nordea are attributable to Nordea Life & Pensions. Nordea applies the fair value model for subsequent measurement of investment properties. The best evidence of a fair value is normally given by quoted prices in an active market for similar properties in the same location and condition. As these prices are rarely available discounted cash flow projection models based on reliable estimates of future cash flows are also used.

Net rental income, gains and losses as well as fair value adjustments are recognised directly in the income statement as “Net result from items at fair value”.

19. Liabilities to policyholders

Liabilities to policyholders include obligations according to insurance contracts and investment contracts with policyholders.

An insurance contract is defined as “a contract under which one party (the insurer) accepts significant insurance risks from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder”.

Investment contracts are contracts with policyholders that have the legal form of insurance contracts but where

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the insurance risk transfer has been assessed to be insignificant.

The insurance risk is generally calculated as the risk sum payable as a percentage of the reserve behind the contract at the beginning of the contract period. It is Nordea's assessment that a risk percentage of five or higher is a significant insurance risk.

The contracts can be divided into the following classes:

- Insurance contracts:
 - Traditional life insurance contracts with and without discretionary participation feature
 - Unit-Linked contracts with significant insurance risk
 - Health and personal accident
- Investment contracts:
 - Investment contracts with discretionary participation feature
 - Investment contracts without discretionary participation feature

Insurance contracts

The measurement principles under local GAAP have been maintained consequently resulting in a non-uniform accounting policies method on consolidation.

Traditional life insurance provisions represent consolidated provisions for all the companies in Nordea Life & Pensions, including companies in Sweden, Norway, Finland, Denmark, Poland, Luxembourg, Isle of Man, Estonia and Lithuania.

In Denmark, Sweden and Finland the measurements are prepared by calculating the present value of future benefits, to which the policyholders are entitled. The calculation includes assumptions about market consistent discounting rates as well as expenses and life risk. The discount rate is based on the liabilities' current term. In Denmark, the provision, in addition, includes bonus potential on paid policies and on future premiums.

In Norway the provisions are mainly calculated on the basis of a prospective method. The discount rate used is equal to the original tariff rates adjusted for assumptions about expenses and risk.

The accounting policy for each company is based on the local structure of the business and is closely related to solvency rules and national regulation concerning profit sharing and other requirements about collective bonus potential.

Unit-Linked contracts represent life insurance provisions relating to Unit-Linked policies written either with or without an investment guarantee. Unit-Linked contracts classified as insurance contracts include the same insurance risk elements as traditional insurance contracts. These contracts are mainly recognised and measured at fair value on the basis of:

- the fair value of the assets linked to the Unit-Linked contracts, and
- the estimated present value of the insurance risk which is calculated in the same way as traditional insurance contracts considering the impact on every risk element included in the cash flows.

Health and personal accident provisions include premium reserves and claims outstanding. This item is recognised and measured on deferred basis in the same way as general insurance contracts.

Investment contracts

Investment contracts are contracts with policyholders, which do not transfer sufficient insurance risk to be classified as insurance contracts.

However, investment contracts with discretionary participation features are, in line with IFRS 4, accounted for as insurance contracts using local accounting principles. Nordea Life & Pension has only a small number of these contracts.

Investment contracts without discretionary participation features are recognised and measured at fair value in accordance with IAS 39 "Financial Instruments: Recognition and Measurement", equal to fair value of the assets linked to these contracts. These assets are classified into the category Designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Discretionary participating features (DPF)

Some traditional life insurance contracts and investment contracts include a contractual right for the policyholder to receive significant benefits in addition to guaranteed benefits. Nordea has discretion to pay these additional benefits as bonus on risk result, expense result and interest rate. These DPF-contracts (Collective bonus potential) are classified as liabilities on the balance sheet.

Collective bonus potential includes amounts allocated but not attributed to the policyholders. In Finland, collective bonus potential includes the policyholder's part of the total unrealised investment gains and bonus potential on paid policies and future premiums (the difference between retrospective and market consistent prospective measurement principles of the insurance contracts). In Norway, collective bonus potential includes the policyholder's part of both the total unrealised investment gains and additional reserves. In Sweden and Denmark, the main valuation principle is fair value (insurance contracts). The policyholder's part of both realised and unrealised investment gains is therefore included on the balance sheet representing either "Change in technical provisions, Life" and/or "Change in collective bonus potentials, Life", depending on whether the investment result is allocated or not. Both the mentioned lines are included on the balance sheet line "Liabilities to policyholders".

Liability adequacy test

The adequacy of insurance provisions is assessed at each reporting date to ensure that the carrying amount of the liabilities is higher than the best estimate of future cash flows discounted with current interest rates. If needed, additional provisions are accounted for and recognised in the income statement.

20. Taxes

The item "Income tax expense" in the income statement comprises current- and deferred income tax. The income tax expense is recognised in the income statement, except to the extent the tax effect relates to items recognised in other comprehensive income or directly in equity, in which case the tax effect is recognised in other comprehensive income or in equity respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substan-

tively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised, using the balance sheet method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits. Deferred tax is not recognised for temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, nor for differences relating to investments in group undertakings and associated undertakings to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, tax losses carry forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists and Nordea intends to either settle the tax asset and the tax liability net or to recover the asset and settle the liability simultaneously. Deferred tax assets and deferred tax liabilities are generally offset if there is a legally enforceable right to offset current tax assets and current tax liabilities.

21. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of Nordea Bank AB (publ) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, consisting of rights to performance shares in the long term incentive programmes.

The potential ordinary shares are only considered to be dilutive, on the balance sheet date, if all performance conditions are fulfilled and if a conversion to ordinary shares would decrease earnings per share. The rights are furthermore considered dilutive only when the exercise price, with the addition of future services, is lower than the period's average share price.

22. Employee benefits

All forms of consideration given by Nordea to its employees as compensation for services performed are employee benefits. Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Post-employment benefits are

benefits payable after the termination of the employment. Post-employment benefits in Nordea consist only of pensions. Termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy.

Short-term benefits

Short term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries are expensed in the period when the employees have performed services to Nordea. Nordea has also issued share-based payment programmes, which are further described in section 25 "Share-based payment".

More information can be found in Note G7 "Staff costs".

Post-employment benefits

Pension plans

The companies within Nordea have various pension plans, consisting of both defined benefit pension plans and defined contribution pension plans, reflecting national practices and conditions in the countries where Nordea operates. Defined benefit pension plans are predominantly sponsored in Sweden, Norway and Finland. The major defined benefit pension plans are funded schemes covered by assets in pension funds/foundations. If the fair value of plan assets, associated with a specific pension plan, is lower than the gross present value of the defined benefit obligation determined using the projected unit credit method, the net amount is recognised as a liability ("Retirement benefit liabilities"). If not, the net amount is recognised as an asset ("Retirement benefit assets"). Non-funded pension plans are recognised as "Retirement benefit liabilities".

Most pensions in Denmark, but also plans in other countries, are based on defined contribution arrangements that hold no pension liability for Nordea. All defined benefit pension plans are closed for new employees. Nordea also contributes to public pension systems.

Pension costs

Obligations for defined contribution pension plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. Nordea's net obligation for defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current and prior periods. That benefit is discounted to determine its present value. Actuarial calculations including the projected unit credit method are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions (as disclosed in Note G32 "Retirement benefit obligations").

When establishing the present value of the obligation and the fair value of any plan assets, remeasurement effects may arise as a result of changes in actuarial assumptions and experience effects (actual outcome compared to assumptions). The remeasurement effects are recognised immediately in equity through other comprehensive income.

When the calculation results in a benefit the recognised asset is limited to the present value of any future refunds

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from the plan or reductions in future contributions to the plan.

Social security contribution is calculated and accounted for based on the net recognised surplus or deficit by plan and is included on the balance sheet as “Retirement benefit liabilities” or “Retirement benefit assets”.

Discount rate in defined benefit pension plans

The discount rate is determined by reference to high quality corporate bonds, where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In countries where no such market exists the discount rate is determined by reference to government bond yields. In Sweden, Norway and Denmark the discount rate is determined with reference to covered bonds and in Finland with reference to corporate bonds.

Termination benefits

As mentioned above termination benefits normally arise if an employment is terminated before the normal retirement date, or if an employee accepts an offer of voluntary redundancy. Termination benefits do not arise if the employees have to continue performing services and the termination benefits can be considered to be normal compensation for those services.

Termination benefits are expensed when Nordea has an obligation to make the payment. An obligation arises when there is a formal plan committed to on the appropriate organisational level and when Nordea is without realistic possibility of withdrawal, which normally occurs when the plan has been communicated to the group affected or to their representatives.

Termination benefits can include both short-term benefits, for instance a number of months’ salary, and post-employment benefits, normally in the form of early retirement. Short-term benefits are classified as “Salaries and remuneration” and post-employment benefits as “Pension costs” in Note G7 “Staff costs”.

23. Equity

Non-controlling interests

Non-controlling interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank AB (publ).

For each business combination, Nordea measures the non-controlling interests in the acquiree either at fair value or at their proportionate share of the acquiree’s identifiable net assets.

Share premium reserve

The share premium reserve consists of the difference between the subscription price and the quota value of the shares in Nordea’s rights issue. Transaction costs in connection to the rights issue have been deducted.

Other reserves

Other reserves comprise income and expenses, net after tax effects, which are reported in equity through other comprehensive income. These reserves include fair value reserves for cash flow hedges, financial assets classified into the category Available for sale and accumulated remeasurements of defined benefit pension plans, as well as a reserve for translation differences.

Retained earnings

Apart from undistributed profits from previous years, retained earnings include the equity portion of untaxed reserves. Untaxed reserves according to national rules are accounted for as equity net of deferred tax at prevailing tax rates in the respective country.

In addition, Nordea’s share of the earnings in associated undertakings, after the acquisition date, that have not been distributed is included in retained earnings.

Treasury shares

Treasury shares are not accounted for as assets. Acquisitions of treasury shares are classified as deductions of “Retained earnings” on the balance sheet. Also own shares in trading portfolios are classified as treasury shares. Divested treasury shares are recognised as an increase of “Retained earnings”.

Contracts on Nordea shares that can be settled net in cash are either financial assets or financial liabilities.

24. Financial guarantee contracts and credit commitments

Upon initial recognition, premiums received in issued financial guarantee contracts and credit commitments are recognised as prepaid income on the balance sheet. The guarantees and irrevocable credit commitments are subsequently measured, and recognised as a provision on the balance sheet, at the higher of either the received fee less amortisation, or an amount calculated as the discounted best estimate of the expenditure required to settle the present obligation. Changes in provisions are recognised in the income statement in the item “Net loan losses”.

Premiums received for financial guarantees are, as stated in section 6 “Recognition of operating income and impairment”, amortised over the guarantee period and recognised as “Fee and commission income” in the income statement. Premiums received on credit commitments are generally amortised over the loan commitment period. The contractual amounts are recognised off-balance sheet, financial guarantees in the item “Contingent liabilities” and irrevocable credit commitments in the item “Credit commitments”.

25. Share-based payment

Equity-settled programmes

Nordea has annually issued Long Term Incentive Programmes from 2007 through 2012. Employees participating in these programmes are granted share-based equity-settled rights, i.e. rights to receive shares for free or to acquire shares in Nordea at a significant discount compared to the share price at grant date. The value of such rights is expensed. The expense is based on the estimated fair value of each right at grant date. The total fair value of these rights is determined based on the group’s estimate of the number of rights that will eventually vest, which is reassessed at each reporting date. The fair value is expensed on a straight-line basis over the vesting period. The vesting period is the period that the employees have to remain in service in Nordea in order for their rights to vest. Market performance conditions in Performance Share II are reflected as a probability adjustment to the initial estimate of fair value at grant date. There is no adjustment (true-up) for differences between estimated

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and actual vesting due to market conditions.

Social security costs are also allocated over the vesting period, in accordance with statement UFR 7 issued by the Swedish Financial Reporting Board: "IFRS 2 and social security contributions for listed enterprises". The provision for social security costs is reassessed on each reporting date to ensure that the provision is based on the rights' fair value at the reporting date.

For more information see Note G7 "Staff costs".

Cash-settled programmes

Nordea has to defer payment of variable salaries under Nordic FSA's regulations and general guidelines, as is also the case with the Executive Incentive Programme (EIP). The deferred amounts are to some extent indexed using Nordea's TSR (Total Shareholders' Return) and these "programmes" are cash-settled share-based programmes. These programmes are fully vested when the payments of variable salaries are initially deferred and the fair value of the obligation is remeasured on a continuous basis. The remeasurements are, together with the related social charges, recognised in the income statement in the item "Net result from items at fair value".

For more information see Note G7 "Staff costs".

26. Related party transactions

Nordea defines related parties as:

- Shareholders with significant influence
- Group undertakings
- Associated undertakings
- Key management personnel
- Other related parties

All transactions with related parties are made on an arm's length basis.

Shareholders with significant influence

Shareholders with significant influence are shareholders that have the power to participate in the financial and operating decisions of Nordea but do not control those policies.

Group undertakings

For the definition of group undertakings see section 5 "Principles of consolidation". Further information on the undertakings included in the Nordea Group is found in Note P21 "Investments in group undertakings".

Group internal transactions between legal entities are performed according to arm's length principles in conformity with OECD requirements on transfer pricing. These transactions are eliminated in the consolidated accounts.

Associated undertakings

For the definition of Associated undertakings see section 5 "Principles of consolidation".

Further information on the associated undertakings included in the Nordea Group is found in Note G19 "Investments in associated undertakings".

Key management personnel

Key management personnel includes the following positions:

- The Board of Directors
- The Chief Executive Officer (CEO)
- The Group Executive Management (GEM)

For information about compensation, pensions and other transactions with key management personnel, see Note G7 "Staff costs".

Other related parties

Other related parties comprise close family members to individuals in key management personnel. Other related parties also include companies significantly influenced by key management personnel in Nordea Group as well as companies significantly influenced by close family members to these key management personnel. Other related parties also include Nordea's pension foundations.

Information concerning transactions between Nordea and other related parties is found in Note G46 "Related-party transactions".

27. Exchange rates

	Jan–Dec 2014	Jan–Dec 2013
EUR 1 = SEK		
Income statement (average)	9.1012	8.6524
Balance sheet (at end of period)	9.3930	8.8591
EUR 1 = DKK		
Income statement (average)	7.4548	7.4579
Balance sheet (at end of period)	7.4453	7.4593
EUR 1 = NOK		
Income statement (average)	8.3597	7.8091
Balance sheet (at end of period)	9.0420	8.3630
EUR 1 = PLN		
Income statement (average)	4.1859	4.1969
Balance sheet (at end of period)	4.2732	4.1543
EUR 1 = RUB		
Income statement (average)	50.9996	42.3269
Balance sheet (at end of period)	72.3370	45.3246

Operating segments

Measurement of Operating segments' performance

The measurement principles and allocation between operating segments follow the information reported to the Chief Operating Decision Maker (CODM), as required by IFRS 8. In Nordea the CODM has been defined as Group Executive Management. The main differences compared to the section "Business area results" 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.

Basis of segmentation

Financial results are presented for the three main business areas Retail Banking, Wholesale Banking and Wealth Management, with further breakdown on operating segments, and for the operating segment Group Corporate Centre. Other operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Group functions and eliminations as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

There have not been any changes to the basis of segmentation compared with the Annual Report 2013.

Reportable Operating segments

Retail Banking conducts a full service banking operation and offers a wide range of products. It is Nordea's largest customer area and serves household customers and corporate customers in the Nordic markets (Retail Banking Nordic) as well as the Baltic countries (Retail Banking Baltic). Wholesale Banking provides banking and other financial solutions to large Nordic and international corporate, institutional and public companies. The

division Corporate & Institutional Banking is a customer oriented organisation serving the largest globally operating corporates. This division is also responsible for Nordea's customers within the financial sector, and offers single products such as funds and equity products as well as consulting services within asset allocation and fund sales. The division Shipping, Offshore & Oil Services is responsible for Nordea's customers within the shipping, offshore and oil services industries and provides tailor made solutions and syndicated loan transactions. Nordea Bank Russia offers a full range of bank services to corporate and private customers in Russia. Capital Markets unallocated includes the result in Capital Markets which is not allocated to the main business areas. Wealth management provides high quality investment, savings and risk management products. It also manages customers' assets and gives financial advice to affluent and high net worth individuals as well as to institutional investors. The division Private Banking provides wealth planning, full-scale investment advice, credit, and estate planning services to wealthy individuals, businesses and their owners, trusts and foundations. The division Asset Management is responsible for all actively managed investment products including internally managed investment funds and mandates as well as selected externally managed funds, and for serving the institutional asset management customers. Life & Pensions serves Nordea's Retail Private Banking and corporate customers with a full range of pension, endowment and risk products as well as tailor-made advice for bank distribution. Life & Pensions unallocated includes the result in Life & Pensions which is not allocated to the main business areas. Group Corporate Centre's main objective is to manage the Group's funding and to support the management and control of the Nordea Group. The main income in Group Corporate Centre originates from Group Treasury.

Income statement 2014, EURm	Retail Banking	Wholesale Banking	Wealth Management	Group Corporate Centre	Other Operating segments	Total operating segments	Reconciliation	Total Group
Net interest income	3,839	1,153	142	279	-15	5,398	84	5,482
Net fee and commission income	1,580	632	1,170	-13	-1	3,368	-526	2,842
Net result from items at fair value	385	695	369	91	6	1,546	-121	1,425
Profit from associated undertakings accounted for under the equity method	10	—	—	0	0	10	8	18
Other income	26	4	15	12	0	57	400	457
Total operating income	5,840	2,484	1,696	369	-10	10,379	-155	10,224
– of which internal transactions ¹	-1,547	-221	16	1,694	58	0	—	—
Staff costs	-1,355	-780	-494	-276	-7	-2,912	-237	-3,149
Other expenses	-1,569	-51	-286	46	-2	-1,862	227	-1,635
Depreciation, amortisation and impairment charges of tangible and intangible assets	-100	-30	-11	-49	—	-190	-392	-582
Total operating expenses	-3,024	-861	-791	-279	-9	-4,964	-402	-5,366
Profit before loan losses	2,816	1,623	905	90	-19	5,415	-557	4,858
Net loan losses	-433	-100	-3	0	0	-536	2	-534
Operating profit	2,383	1,523	902	90	-19	4,879	-555	4,324
Income tax expense	-606	-365	-199	-19	-17	-1,206	253	-953
Net profit for the year from continuing operations	1,777	1,158	703	71	-36	3,673	-302	3,371
Balance sheet 31 Dec 2014, EURbn								
Loans to the public ²	224	57	9	—	—	290	58	348
Deposits and borrowings from the public ²	110	41	11	—	—	162	35	197



Segment reporting, cont.

Income statement, 2013 EURm	Retail Banking	Wholesale Banking	Wealth Management	Group Corporate Centre	Other Operating segments	Total operating segments	Reconciliation	Total Group
Net interest income	3,733	1,078	121	319	40	5,291	234	5,525
Net fee and commission income	1,439	551	1,077	-9	-1	3,057	-415	2,642
Net result from items at fair value	371	918	294	82	-6	1,659	-120	1,539
Profit from associated undertakings accounted for under the equity method	12	—	—	0	0	12	67	79
Other income	63	3	22	8	-1	95	11	106
Total operating income	5,618	2,550	1,514	400	32	10,114	-223	9,891
– of which internal transactions ¹	-1,622	-283	22	1,816	67	0	—	—
Staff costs	-1,336	-765	-474	-231	-7	-2,813	-165	-2,978
Other expenses	-1,620	-76	-290	10	-2	-1,978	143	-1,835
Depreciation, amortisation and impairment charges of tangible and intangible assets	-101	-35	-19	-41	0	-196	-31	-227
Total operating expenses	-3,057	-876	-783	-262	-9	-4,987	-53	-5,040
Profit before loan losses	2,561	1,674	731	138	23	5,127	-276	4,851
Net loan losses	-493	-242	-3	0	0	-738	3	-735
Operating profit	2,068	1,432	728	138	23	4,389	-273	4,116
Income tax expense	-544	-374	-160	-31	-13	-1,122	113	-1,009
Net profit for the year from continuing operations	1,524	1,058	568	107	10	3,267	-160	3,107
Balance sheet 31 Dec 2013, EURbn								
Loans to the public ²	217	57	9	—	—	283	59	342
Deposits and borrowings from the public ²	107	41	11	—	—	159	42	201

1) IFRS 8 requires information on revenues from transactions between operating segments. Nordea has defined inter-segment revenues as internal interest income and expense related to the funding of the operating segments by the internal bank in Group Corporate Centre.

2) The volumes are only disclosed separate for operating segments if separately reported to the Chief Operating Decision Maker.

Break-down of Retail Banking

Income statement, EURm	Retail Banking Nordic ¹		Retail Banking Baltic ²		Retail Banking Other ³		Total Retail Banking	
	2014	2013	2014	2013	2014	2013	2014	2013
Net interest income	3,789	3,693	143	128	-93	-88	3,839	3,733
Net fee and commission income	1,581	1,419	39	40	-40	-20	1,580	1,439
Net result from items at fair value	398	378	-10	-3	-3	-4	385	371
Profit from associated undertakings accounted for under the equity method	6	9	0	0	4	3	10	12
Other income	1	33	3	1	22	29	26	63
Total operating income	5,775	5,532	175	166	-110	-80	5,840	5,618
– of which internal transactions	-1,335	-1,448	-41	-46	-171	-128	-1,547	-1,622
Staff costs	-961	-956	-23	-24	-371	-356	-1,355	-1,336
Other expenses	-1,885	-1,922	-62	-61	378	363	-1,569	-1,620
Depreciation, amortisation and impairment charges of tangible and intangible assets	-45	-45	-1	-1	-54	-55	-100	-101
Total operating expenses	-2,891	-2,923	-86	-86	-47	-48	-3,024	-3,057
Profit before loan losses	2,884	2,609	89	80	-157	-128	2,816	2,561
Net loan losses	-358	-443	-63	-40	-12	-10	-433	-493
Operating profit	2,526	2,166	26	40	-169	-138	2,383	2,068
Income tax expense	-626	-561	-17	-14	37	31	-606	-544
Net profit for the year from continuing operations	1,900	1,605	9	26	-132	-107	1,777	1,524
Balance sheet, EURbn								
Loans to the public	216	209	8	8	—	—	224	217
Deposits and borrowings from the public	106	104	4	3	—	—	110	107

1) Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden.

2) Retail Banking Baltic includes banking operations in Estonia, Latvia and Lithuania.

3) Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT.

G2 Segment reporting, cont.
Break-down of Wholesale Banking

	Corporate & Institutional Banking		Shipping, Offshore & Oil Services		Nordea Bank Russia		Capital Markets unallocated		Wholesale Banking Other ¹		Total Wholesale Banking	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Income statement, EURm												
Net interest income	688	673	263	257	280	221	-1	4	-77	-77	1,153	1,078
Net fee and commission income	572	524	68	51	13	12	-72	-88	51	52	632	551
Net result from items at fair value	265	302	34	31	9	11	350	524	37	50	695	918
Other income	0	0	0	0	1	0	3	2	0	1	4	3
Total operating income	1,525	1,499	365	339	303	244	280	442	11	26	2,484	2,550
- of which internal transactions	-146	-215	-62	-77	-32	-42	100	134	-81	-83	-221	-283
Staff costs	-46	-37	-20	-24	-68	-64	-452	-452	-194	-188	-780	-765
Other expenses	-370	-379	-42	-38	-32	-29	264	257	129	113	-51	-76
Depreciation, amortisation and impairment charges of tangible and intangible assets	0	0	0	0	-8	-6	-15	-18	-7	-11	-30	-35
Total operating expenses	-416	-416	-62	-62	-108	-99	-203	-213	-72	-86	-861	-876
Profit before loan losses	1,109	1,083	303	277	195	145	77	229	-61	-60	1,623	1,674
Net loan losses	-122	-165	37	-92	-16	7	0	0	1	8	-100	-242
Operating profit	987	918	340	185	179	152	77	229	-60	-52	1,523	1,432
Income tax expense	-249	-242	-67	-59	-46	-33	-18	-55	15	15	-365	-374
Net profit for the year from continuing operations	738	676	273	126	133	119	59	174	-45	-37	1,158	1,058
Balance sheet, EURbn												
Loans to the public	39	39	11	12	7	6	—	—	—	—	57	57
Deposits and borrowings from the public	36	36	4	4	1	1	—	—	—	—	41	41

1) Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT.

Break-down of Wealth Management

	Private Banking		Asset Management		Life & Pensions unallocated		Wealth Management Other ¹		Total Wealth Management	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Income statement, EURm										
Net interest income	141	120	1	1	0	0	0	0	142	121
Net fee and commission income	575	524	591	494	275	262	-271	-203	1,170	1,077
Net result from items at fair value	93	80	5	0	271	215	0	-1	369	294
Other income	5	2	2	8	8	9	0	3	15	22
Total operating income	814	726	599	503	554	486	-271	-201	1,696	1,514
- of which internal transactions	12	15	0	0	0	1	4	6	16	22
Staff costs	-173	-168	-121	-113	-124	-126	-76	-67	-494	-474
Other expenses	-231	-233	-104	-107	-78	-73	127	123	-286	-290
Depreciation, amortisation and impairment	-4	-6	-1	0	-4	-10	-2	-3	-11	-19
Total operating expenses	-408	-407	-226	-220	-206	-209	49	53	-791	-783
Profit before loan losses	406	319	373	283	348	277	-222	-148	905	731
Net loan losses	-3	-3	0	0	0	0	0	0	-3	-3
Operating profit	403	316	373	283	348	277	-222	-148	902	728
Income tax expense	-89	-70	-82	-62	-77	-61	49	33	-199	-160
Net profit for the year from continuing operations	314	246	291	221	271	216	-173	-115	703	568
Balance sheet, EURbn										
Loans to the public	9	9	—	—	—	—	—	—	9	9
Deposits and borrowings from the public	11	11	—	—	—	—	—	—	11	11

1) Wealth Management Other includes the area Savings and support areas, such as IT.



Segment reporting, cont.

Reconciliation between total operating segments and financial statements

	Total operating income, EURm		Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	2014	2013	2014	2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Total Operating segments	10,379	10,114	4,879	4,389	290	283	162	159
Group functions ¹	-2	3	-129	-116	—	—	—	—
Unallocated items ²	443	224	-81	47	69	53	39	39
Eliminations	-31	-186	—	—	—	—	—	—
Differences in accounting policies ³	-565	-264	-345	-204	-11	6	-4	3
Total	10,224	9,891	4,324	4,116	348	342	197	201

1) Consists of Group Risk Management, Group Internal Audit, Group Identity & Communications, Group Human Resources, Board of Directors and Group Executive Management.

2) Including non-recurring items 2014. Total operating income EUR 378m and Operating profit EUR -157m.

3) Impact from plan rates used in the segment reporting and from that comparative figures for lending/deposits in Banking Poland are restated in operating segments but not in financial statements.

Total operating income split on product groups, EURm

	2014	2013
Banking products	6,188	6,131
Capital Markets products	1,968	2,193
Savings products & Asset management	1,038	875
Life & Pensions	553	476
Other	477	216
Total	10,224	9,891

Banking products consists of three different product types. Account products includes account based products such as lending, deposits, cards and Netbank services. Transaction products consist of cash management as well as trade and project finance services. Financing products includes asset based financing through leasing, hire purchase and factoring as well as sales to finance partners such as dealers, vendors and retailers.

Capital Markets products contains financial instruments, or arrangements for financial instruments, that are available in the financial marketplace, including currencies, commodities, stocks and bonds.

Savings products & Asset management includes Investment funds, Discretionary Management, Portfolio Advice, Equity Trading and Pension Accounts. Investment Funds is a bundled product where the fund company invest in stocks, bonds, derivatives or other standardised products on behalf of the fund's shareholders. Discretionary Management is a service providing the management of an investment portfolio on behalf of the customer and Portfolio Advise is a service provided to support the customers' investment decisions.

Life & Pensions includes life insurance and pension products and services.

Geographical information

	Total operating income, EURm		Assets, EURbn	
	2014	2013	31 Dec 2014	31 Dec 2013
Sweden	2,421	2,125	162	147
Finland	1,831	1,604	83	72
Norway	1,772	1,993	85	82
Denmark	3,183	3,218	277	242
Baltic countries	203	178	22	10
Russia	203	193	6	5
Other	611	580	34	72
Total	10,224	9,891	669	630

Nordea's main geographical markets comprise the Nordic countries, the Baltic countries and Russia. Revenues and assets are distributed to geographical areas based on the location of the customers' operations. Goodwill is allocated to different countries based on the location of the business activities of the acquired entities.



Net interest income

EURm	2014	2013
Interest income		
Loans to credit institutions	52	60
Loans to the public	8,555	9,102
Interest-bearing securities	728	751
Other interest income	660	691
Interest income¹	9,995	10,604

1) Of which contingent leasing income amounts to EUR 116m (EUR 114m). Contingent leasing income in Nordea consists of variable interest rates, excluding the fixed margin. If the contingent leasing income decreases there will be an offsetting impact from lower funding expenses.

G3 Net interest income, cont.

EURm	2014	2013
Interest expense		
Deposits by credit institutions	-103	-122
Deposits and borrowings from the public	-1,145	-1,439
Debt securities in issue	-3,545	-3,705
Subordinated liabilities	-331	-340
Other interest expenses ¹	611	527
Interest expense	-4,513	-5,079
Net interest income	5,482	5,525

1) The net interest income from derivatives, measured at fair value, related to Nordea's funding. This can have both a positive and negative impact on other interest expense, for further information see Note G1.

Interest income from financial instruments not measured at fair value through profit or loss amounts to EUR 7,725m (EUR 8,347m). Interest expenses from financial instruments not measured at fair value through profit or loss amounts to EUR -3,925m (EUR -4,376m).

Interest on impaired loans amounted to an insignificant portion of interest income.

G4 Net fee and commission income

EURm	2014	2013
Asset management commissions	1,189	1,000
Life insurance	367	350
Brokerage, securities issues and corporate finance	281	296
Custody and issuers services	128	124
Deposits	39	50
Total savings and investments	2,004	1,820
Payments	406	417
Cards	529	508
Total payments and cards	935	925
Lending	541	510
Guarantees and documentary payment	181	187
Total lending related commissions	722	697
Other commission income	138	132
Fee and commission income	3,799	3,574
Savings and investments	-363	-322
Payments	-85	-90
Cards	-253	-259
State guarantee fees	-132	-132
Other commission expenses	-124	-129
Fee and commission expense	-957	-932
Net fee and commission income	2,842	2,642

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounts to EUR 557m (EUR 543m).

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amounts to EUR 1,837m (EUR 1,646m). The corresponding amounts for fee expenses is EUR -96m (EUR -72m).

G5 Net result from items at fair value

EURm	2014	2013
Shares/participations and other share-related instruments	2,829	2,630
Interest-bearing securities and other interest-related instruments	3,119	238
Other financial instruments	409	90
Foreign exchange gains/losses	-564	876
Investment properties	246	145
Change in technical provisions, Life insurance ¹	-3,835	-1,519
Change in collective bonus potential, Life insurance	-871	-978
Insurance risk income, Life insurance	212	202
Insurance risk expense, Life insurance	-120	-145
Total	1,425	1,539

Net result from categories of financial instruments²

EURm	2014	2013
Available for sale assets, realised	1	-6
Financial instruments designated at fair value through profit or loss	184	40
Financial instruments held for trading ³	1,522	318
Financial instruments under fair value hedge accounting	33	73
– of which net gains/losses on hedging instruments	1,248	-1,404
– of which net gains/losses on hedged items	-1,215	1,477
Financial assets measured at amortised cost ⁴	49	13
Financial liabilities measured at amortised cost	-28	-26
Foreign exchange gains/losses excluding currency hedges	-588	914
Other	-20	-5
Financial risk income, net Life insurance ¹	180	161
Insurance risk income, net Life insurance	92	57
Total	1,425	1,539

1) Premium income amounts to EUR 2,270m (EUR 2,278m).

2) The figures disclosed for Life (financial risk income and insurance risk income) are disclosed on gross basis, i.e. before eliminations of intra-group transactions.

3) Of which amortised deferred day one profits amounts to EUR 11m (EUR 12m).

4) Of which EUR 49m (EUR 13m) related to instruments classified into the category "Loans and receivables" and EUR 0m (EUR 0m) related to instruments classified into the category "Held to maturity".

G6 Other operating income

EURm	2014	2013
Divestment of shares ¹	378	1
Income from real estate	9	5
Sale of tangible assets	12	18
Other	58	82
Total	457	106

1) Gain from divestment of Nets Holding A/S amounts to EUR 378m.

G7

Staff costs

EURm	2014	2013
Salaries and remuneration (specification below) ¹	-2,366	-2,287
Pension costs (specification below)	-289	-222
Social security contributions	-427	-387
Other staff costs	-67	-82
Total²	-3,149	-2,978

Salaries and remuneration

To executives ³		
– Fixed compensation and benefits	-16	-18
– Performance-related compensation	-12	-12
– Allocation to profit-sharing	0	0
Total	-28	-30
To other employees	-2,338	-2,257
Total	-2,366	-2,287

1) Of which allocation to profit-sharing 2014 EUR 80m (EUR 45m) consisting of a new allocation of EUR 76m (EUR 46m) and an adjustment related to prior years of EUR 4m (EUR -1m).

2) Of which EUR 103m in salaries and EUR 44m in pension costs, including social security contributions, regards termination benefits in connection to the cost efficiency programme launched in the second quarter.

3) Executives include the Board of Directors (including deputies), CEO, deputy CEO, executive vice presidents and Group Executive Management in the parent company as well as the Board of Directors (including deputies), managing directors and executive vice presidents in operating group undertakings. Former board members (including deputies), CEOs, deputy CEOs, managing directors and executive vice presidents, in the parent company and operating group undertakings, are included. Executives amount to 182 (181) individuals.

EURm	2014	2013
Pension costs¹		
Defined benefits plans (Note G32) ²	-80	-50
Defined contribution plans	-209	-172
Total	-289	-222

1) Pension cost for executives as defined in footnote 3 above, amounts to EUR 5m (EUR 5m) and pension obligations to EUR 39m (EUR 45m).

2) Excluding social security contributions. Including social security contributions EUR 99m (EUR 61m).

Additional disclosures on remuneration under Nordic FSAs' regulations and general guidelines

The qualitative disclosures under these regulations can be found in the separate section on remuneration in the Board of Directors' Report, while the quantitative disclosures will be published in a separate report on Nordea's homepage (www.nordea.com) no later than one week before the Annual General Meeting on 19 March 2015.

Remuneration to the Board of Directors, CEO and Group Executive Management
Board remuneration

The Annual General Meeting (AGM) 2014 decided to increase the remuneration to the Board of Directors (the Board) by 3% for all members, apart from the remuneration to the vice chairman which was raised by 14%. The remuneration was EUR 259,550 for the chairman, EUR 123,250 for the vice chairman and EUR 80,250 for other members. The annual remuneration for committee work was EUR 21,350 for the chairman of the committee and EUR 15,150 for other members. Board members employed by Nordea do not receive separate remuneration for their Board membership. There are no commitments for severance pay, pension or other remuneration to the members of the Board, except for pension commitments to one Board member previously employed by Nordea.

Remuneration to the Board of Directors¹

EUR	2014	2013
Chairman of the Board:		
Björn Wahlroos	273,160	267,264
Vice Chairman of the Board:		
Marie Ehrling	140,996	125,765
Other Board members²:		
Stine Bosse ³	—	21,655
Peter F Braunwalder ⁴	22,435	91,945
Elisabeth Grieg	94,862	70,291
Svein Jacobsen ⁵	57,767	97,445
Tom Knutzen	97,502	91,945
Robin Lawther ⁶	72,426	—
Lars G Nordström	94,862	91,945
Sarah Russell	94,862	91,945
Kari Stadigh	101,035	97,445
Total	1,049,907	1,047,645

1) The Board remuneration consists of a fixed annual fee and a fixed annual fee for committee work. These are paid out on a quarterly basis in SEK and translated into EUR based on the average exchange rate each year for accounting purposes. Exchange rate effects have had a decreasing impact on the remuneration to the Board.

2) Employee representatives excluded.

3) Resigned as member of the Board as from the AGM 2013.

4) Resigned as member of the Board as from the AGM 2014.

5) Resigned as member of the Board as from 31 July 2014.

6) New member of the Board as from the AGM 2014.

Salary and benefits*Chief Executive Officer (CEO)*

For 2014 the remuneration to the CEO consists of three components: Fixed salary, GEM Executive Incentive Program (GEM EIP) and benefits.

The fixed salary amounted to SEK 11,252,193 (EUR 1,236,337), an increase with 2.0% compared to 2013 as announced at the AGM 2014.

GEM EIP 2014 is based on agreed, specific targets and can amount to a maximum of 100% of the fixed salary. For 2014 the outcome of the GEM EIP amounted to EUR 1,084,267, and the outcome in 2013 was EUR 831,280. The reason behind the increase in 2014 is a higher outcome on the targets on Group level.

In accordance with remuneration regulations from the Swedish FSA 40% of GEM EIP 2014 will be paid out in 2015, 30% will be deferred to 2018 and 30% to 2020.

The benefits for 2014 amounted to EUR 78,342 and include primarily car and housing. For 2013 the benefits amounted to EUR 81,645.

The total earned remuneration for 2014 based on the three components amounted to EUR 2,398,946 and in 2013 to EUR 2,187,895.

The CEO took part in the previous share-based Long Term Incentive Programmes (LTIP) that was terminated in 2012. The expense from the LTIP programmes is accounted for over three years starting in the year in which they were part of the total remuneration (the year of issuance). The expense 2014 thus includes expense from LTIP 2011 and LTIP 2012 and the expense for 2013 includes expense from LTIP 2010, LTIP 2011 and LTIP 2012.

For 2014 the expense for the CEO related to the LTIP programmes amounted to EUR 398,081, and for 2013 the expense amounted to EUR 349,817.

For more information on the LTIP programmes see the separate section on remuneration in the Board of Directors' report and below.

G7 Staff costs, cont.

*Remuneration to the Chief Executive Officer and Group Executive Management*¹

EUR	Fixed salary		GEM Executive Incentive Programme ²		Benefits		Total remuneration	
	2014	2013	2014	2013	2014	2013	2014	2013
Chief Executive Officer (CEO):								
Christian Clausen ³	1,236,337	1,274,970	1,084,267	831,280	78,342	81,645	2,398,946	2,187,895
Group Executive Management (GEM):								
6 (6) individuals excluding CEO ⁴	4,359,064	4,450,178	3,912,561	2,748,761	267,992	290,739	8,539,617	7,489,678
Total	5,595,401	5,725,148	4,996,828	3,580,041	346,334	372,384	10,938,563	9,677,573

- 1) The CEO and members of GEM were until 2012 offered a Variable Salary Part (VSP) and a share-based Long Term Incentive Programme (LTIP). Instead of these two programmes the Board in 2013 decided, in order to reduce complexity, to offer a GEM Executive Incentive Programme (GEM EIP).
- 2) The outcome from GEM Executive Incentive Programme (GEM EIP) 2014 has been expensed in full in 2014 but will be paid out over a five year deferral period with forfeiture clauses in order to comply with the remuneration regulations from the Swedish FSA. The reason behind the increase in 2014 is a higher outcome on the targets on Group level. The GEM EIP is indexed with Nordea's total shareholder return (TSR) during the deferral period. The GEM EIP is further described in the separate section on remuneration in the Board of Directors' report and below.
- 3) The CEO's salary is paid in SEK and converted to EUR based on the average exchange rate each year. The fixed salary increased with 2% to SEK 11,252,193 (EUR 1,236,337) as communicated at the AGM 2014. The decrease in fixed salary 2014 expressed in EUR is due to exchange rates effects. Benefits are included at taxable values.
- 4) GEM members are included for the period they have been appointed. Benefits are included at taxable values. One new GEM member was appointed in June 2014 and one member resigned in June 2014. The reasons behind the increase in GEM EIP 2014 are a higher outcome on the targets on Group level and that GEM only had five members part of 2013. Termination benefits amounted to EUR 1.6m (EUR 1.5m) and are excluded from the table above.

Long Term Incentive Programmes (LTIP) 2010–2012

	Expense ¹ (EUR)		Number of outstanding shares ²			Total
	2014	2013	LTIP 2012 ³	LTIP 2011 ⁴	LTIP 2010 ⁴	
Chief Executive Officer (CEO):						
Christian Clausen	398,081	349,817	150,025	45,311	13,536	208,872
Group Executive Management (GEM):						
6 (6) Individuals excluding CEO	1,062,253	1,021,443	371,185	118,392	38,774	528,351
Total	1,460,334	1,371,260	521,210	163,703	52,310	737,223

- 1) The expense from the LTIP programmes is recognised as the vesting requirements are fulfilled over the three years vesting period starting the year of issuance. The expense 2013 includes expense from LTIP 2010, LTIP 2011 and LTIP 2012. The expense 2014 includes expense from LTIP 2011 and LTIP 2012. LTIP 2012 will be fully expensed in May 2015. The main reason behind the increase 2014 is that the expectation on the outcome from the vesting requirements in LTIP 2012 has changed. GEM members are included for the period they have been appointed and the expense is calculated in accordance with IFRS 2 "Share-based Payment".
- 2) 60% of the vested shares are deferred with forfeiture clauses due to remuneration regulations from the Swedish FSA and allotted over a five year period, for LTIP 2010 starting May 2013, for LTIP 2011 starting May 2014 and for LTIP 2012 starting May 2015. See also the separate Remuneration section on page 55 and below for more details.
- 3) The CEO and members of GEM have a conditional right to a maximum 104,242 matching shares, 312,726 performance shares I and 104,242 performance shares II in LTIP 2012, in total 521,210 shares. The value of the outcome from LTIP 2012 on the day of allotment in May 2015 cannot exceed the annual fixed salary year end 2011.
- 4) Shares in LTIP 2010 and LTIP 2011 are fully vested and consequently not conditional.

The total expense related to the remuneration of the CEO in 2014, including the three components of the remuneration earned in 2014 and the LTIP programmes that were part of the remuneration for previous years, amounted to EUR 2,797,027. For 2013 the total expense was EUR 2,537,712.

In accordance with the remuneration regulation from the Swedish FSA, the variable salary components and outcome from LTIPs are deferred and paid out over a period of five years. The below table specifies the paid fixed and variable salary (GEM EIP and VSP), benefits given and shares allotted in the Long Term Incentive Programmes (LTIP) to the CEO in 2014 and 2013.

Paid salary, benefits given and shares allotted to the CEO

EUR	2014	2013
Fixed salary	1,236,337	1,274,970
Benefits	78,342	81,645
VSP/GEM EIP (earned previous years) ¹	444,116	215,744
LTIP (earned previous years) ²	325,548	91,008
Total	2,084,343	1,663,367

- 1) Payment in 2014 relate to 40% of outcome from GEM EIP 2013 and deferrals from VSP 2012 and VSP 2011. Payment in 2013 relates to 40% of outcome from VSP 2012 and deferral from VSP 2011.
- 2) Taxable benefit in 2014 relates to allotment of 33,592 shares from LTIP 2011 and LTIP 2010. Taxable benefit in 2013 relates to allotment of 11,280 shares from LTIP 2010.

The fixed salary, GEM Executive Incentive Programme and contract terms for the CEO are proposed by the Board Remuneration Committee (BRC) and approved by the Board in accordance with Nordea's remuneration guidelines approved by AGM 2014.

Group Executive Management (GEM)

The BRC prepares alterations in salary levels and outcome of GEM EIP as well as other changes in the remuneration package for members of GEM, for resolution by the Board. GEM EIP 2014, which is based on agreed, specific targets, can be a maximum of 100% of the fixed salary.

Benefits include primarily car and/or housing. As for the CEO, GEM members took part of the previous LTIPs.

Pension

Chief Executive Officer (CEO)

The CEO is covered by a defined benefit plan up to the age of 60. The pension amounts to 50% of the pensionable income, defined as the fixed salary, for life. The maximum pensionable income is 200 Swedish Income Base Amounts. The pension obligation is funded by plan assets. At age 60 the pension risk is transferred to the CEO. Pension payments are to be made in accordance with local legislations and pension insurance conditions and start no earlier than at retirement. From age 60 the CEO will have a defined contribution plan. The pension contribution is 30% of the fixed salary.

G7

Staff costs, cont.

Group Executive Management (GEM)

The pension agreements vary due to local country practices. GEM members are entitled to retire with pension at the age of 62, 65 or 70. Pension agreements are defined benefit plans, defined contribution plans or a combination of such plans.

Two members have defined benefit plans not based on collective agreements. One of these defined benefit plans provides retirement pension amounting to 50% of pensionable income for life from age 62, including national pension benefits. The second defined benefit plan not based on a collective agreement provides a retirement pension, including both national pension benefits and previously earned pension. The

retirement pension benefit in this plan decreased from 70% to 66% of pensionable income for future earnings as from 1 January 2011. The second defined benefit plan will be closed by end of March 2015 and substituted by a defined contribution plan. Two members have pensions in accordance with the Swedish collective agreement, one in BTP1 (defined contribution plan) and one in BTP2 (defined benefit plan), with complementing defined contribution plans on top of the collective agreement. Finally two members have defined contribution plans. Fixed salary is pensionable income for all GEM-members. Part of GEM EIP is included in the pensionable income for one member.

Pension expense and pension obligation

EUR	2014		2013	
	Pension expense ¹	Pension obligation ²	Pension expense ¹	Pension obligation ²
Board members³:				
Lars G Nordström	—	367,851	—	363,280
Chief executive officer (CEO):				
Christian Clausen ⁴	760,804	15,341,148	807,988	12,440,440
Group Executive Management (GEM):				
6 (6) individuals excluding CEO ⁵	2,122,898	8,585,591	1,799,215	5,502,372
Former Chairman of the Board and CEOs:				
Vesa Vainio and Thorleif Krarup ⁶	-339,377	5,773,806	—	16,916,203
Total	2,544,325	30,068,396	2,607,203	35,222,295

1) The pension expense is related to pension premiums paid in defined contribution agreements and pension rights earned during the year in defined benefit agreements (Current service cost and Past service cost and settlements as defined in IAS 19). Of the total pension expense EUR 945,583 (EUR 853,782) relates to defined contribution agreements.

2) The pension obligation is calculated in accordance with IAS 19. The obligation is dependent on changes in actuarial assumptions and inter annual variations can therefore be significant. IAS 19 includes an assumption about future increases in salary, which leads to that the pension obligations disclosed are the earned pension rights calculated using the expected salary levels at retirement. The pension plans are funded, meaning that these obligations are backed with plan assets with fair value generally on a similar level as the obligations.

3) Employee representatives excluded. The pension obligation is in accordance with the collective pension agreement BTP2 and earned during the employment period.

4) The CEO's pension agreement is unchanged. The main reasons behind the increase in pension obligation are changes in discount rates and new pension rights earned in 2014. Exchange rate effects have had a decreasing impact on both the pension expense and the pension obligation.

5) Members of GEM included for the period they are appointed. The pension obligation is the obligation towards the members of GEM as of 31 December. The main reasons behind the increase in pension obligation are changes in discount rates and new pension rights earned in 2014. The main reasons behind the increase in pension expense are that six members have been included for the whole year and changes in accumulated paid up policies. Exchange rate effects have had a decreasing impact on both the pension expense and the pension obligation. Termination benefits amounted to EUR 0.2m (EUR 0.4m) and are excluded from the table above.

6) The pension obligation for Vesa Vainio and Thorleif Krarup is mainly due to pension rights earned in, and funded by, banks forming Nordea. The decrease in the pension obligation is mainly due to that the pension obligation/pension risk was transferred to Thorleif Krarup end of August 2014 and the pension obligation for Thorleif Krarup is hence accounted for as settled. The settlement led to a gain of EUR 339,377.

Notice period and severance pay

In accordance with their employment contracts CEO and four GEM members have a notice period of 12 months and a severance pay equal to 12 months' salary to be reduced by the salary the executive receives as a result of any other employment during these 12 months. The CEO is not entitled to severance pay if leaving Nordea after the age of 60.

Two GEM members are entitled to 6 months' salary during the notice period, and with regard to severance pay 18 months' salary to be reduced by the salary they receive as a result of any other employment during these 18 months.

Loans to key management personnel

Loans to key management personnel, as defined in Note G1 section 26, amount to EUR 3m (EUR 3m). Interest income on these loans amounts to EUR 0m (EUR 0m).

For key management personnel who are employed by Nordea the same credit terms apply as for other employees,

except for key management personnel in Denmark whose loans are granted on terms based on market conditions. In Norway the employee interest rate for loans is variable and was at 31 December 2014 2.8% for loans up to NOK 5m and 3.15% for loans above NOK 5m. In Finland the employee interest rate for loans corresponds to Nordea's funding cost with a margin of 40 basis points up to EUR 0.4m, and 60 basis points on the part that exceeds EUR 0.4m. In Sweden the employee interest rate on fixed- and variable interest rate loans is 215 basis points lower than the corresponding interest rate for external customers (with a lower limit of 50 basis points, a decrease from 150 basis points as from 1 December 2014). There is currently a cap of 57 Swedish price base amounts both on fixed- and variable interest rate loans. Interest on loans above the defined caps is set on market terms. Loans to family members of key management personnel are granted on normal market terms, as well as loans to key management personnel who are not employed by Nordea.

G7 Staff costs, cont.
Long Term Incentive Programmes

	2014			2013		
	Matching Share	Performance Share I	Performance Share II	Matching Share	Performance Share I	Performance Share II
Conditional rights LTIP 2012						
Outstanding at the beginning of the year	1,260,752	3,164,297	1,260,752	1,264,437	3,176,540	1,264,437
Granted ¹	54,976	137,708	54,976	46,646	117,074	46,646
Forfeited	-61,428	-160,112	-61,428	-50,331	-129,317	-50,331
Outstanding at end of year	1,254,300	3,141,893	1,254,300	1,260,752	3,164,297	1,260,752
- of which currently exercisable	—	—	—	—	—	—
Rights LTIP 2011						
Outstanding at the beginning of year	974,746	1,949,493	974,746	971,195	1,942,391	971,195
Granted ¹	42,030	84,060	42,030	36,064	72,128	36,064
Forfeited	-24,245	-375,231	-570,137	-32,513	-65,026	-32,513
Alloted	-722,860	-1,207,754	-325,287	—	—	—
Outstanding at end of year	269,671	450,568	121,352	974,746	1,949,493	974,746
- of which currently exercisable	—	—	—	—	—	—
Rights LTIP 2010						
Outstanding at the beginning of year	179,929	190,096	80,971	871,028	1,742,056	871,028
Forfeited	—	—	—	-18,373	-841,222	-487,322
Allotted	-47,345	-50,018	-21,307	-672,726	-710,738	-302,735
Outstanding at end of year	132,584	140,078	59,664	179,929	190,096	80,971
- of which currently exercisable	—	—	—	—	—	—

1) Granted rights are compensation for dividend on the underlying Nordea share during the year.

Participation in the Long Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares.

	LTIP 2012			LTIP 2011		
	Matching Share	Performance Share I	Performance Share II	Matching Share	Performance Share I	Performance Share II
Ordinary share per right	1.00	1.00	1.00	1.00	1.00	1.00
Exercise price	—	—	—	—	—	—
Grant date	13 May 2012	13 May 2012	13 May 2012	13 May 2011	13 May 2011	13 May 2011
Vesting period	36 months	36 months	36 months	36 months	36 months	36 months
Contractual life	36 months	36 months	36 months	36 months	36 months	36 months
Allotment	April/May 2015	April/May 2015	April/May 2015	April/May 2014	April/May 2014	April/May 2014
Fair value at grant date	EUR 6.06 ¹	EUR 6.06 ¹	EUR 2.19 ¹	EUR 7.33 ¹	EUR 7.33 ¹	EUR 2.65 ¹

1) The fair value has been recalculated due to dividend during the vesting period which the participants are compensated for through additional Matching and Performance Shares.

	LTIP 2010		
	Matching Share	Performance Share I	Performance Share II
Ordinary share per right	1.00	1.00	1.00
Exercise price	—	—	—
Grant date	13 May 2010	13 May 2010	13 May 2010
Vesting period	36 months	36 months	36 months
Contractual life	36 months	36 months	36 months
Allotment	April/May 2013	April/May 2013	April/May 2013
Fair value at grant date	EUR 6.75	EUR 6.75	EUR 2.45

G7

Staff costs, cont.

Conditions and requirements

For each ordinary share the participants lock in to the LTIPs, they are granted a conditional Matching Share to receive ordinary shares based on continued employment, with certain exemptions, and the conditional Performance Share I and II to receive additional ordinary shares also based on fulfillment of certain performance conditions. The performance conditions for Performance Share I comprise a target growth in risk adjusted profit per share (RAPPS) or a target in risk-adjusted return on capital at risk (RAROCAR). Should the reported earnings per share (EPS) be lower than a predetermined level the participants are not entitled to exercise any Performance Share I. The performance conditions for Performance Share II

are market related and comprise growth in total shareholder return (TSR) in comparison with a peer group's TSR or a target in RAROCAR and in P/B-ranking compared to a peer group. Furthermore the profit for each right is capped.

When the performance conditions are not fulfilled in full, the rights that are no longer exercisable are shown as forfeited in the previous tables, together with shares forfeited due to participants leaving the Nordea Group.

LTIP 2011/2010 are not allotted in full due to deferral and retention requirements by Nordic FSAs.

	LTIP 2012	LTIP 2011	LTIP 2010
Service condition, Matching Share/ Performance Share I and II	Employed, with certain exemptions, within the Nordea Group during the three year vesting period.	Employed, with certain exemptions, within the Nordea Group during the three year vesting period.	Employed, with certain exemptions, within the Nordea Group during the three year vesting period.
Performance condition, Performance Share I	Average RAROCAR during the period 2012 up to and including 2014. Full allotment will be obtained if the RAROCAR amounts to 17%.	Compound Annual Growth Rate in RAPPS from year 2010 (base year) to and including year 2013. Full allotment will be obtained if the Compound Annual Growth Rate amounts to or exceeds 10%.	Compound Annual Growth Rate in RAPPS from year 2009 (base year) to and including year 2012. Full allotment was obtained if the Compound Annual Growth Rate amounted to or exceeded 9%.
EPS knock out, Performance Share I	—	Average reported EPS for 2011–2013 lower than EUR 0.26.	Average reported EPS for 2010–2012 lower than EUR 0.26.
Performance condition, Performance Share II	RAROCAR during the period 2012 up to and including 2014 and P/B-ranking year-end 2014 compared to a peer group. Full allotment will be obtained if the RAROCAR amounts to 14% and if Nordea's P/B-ranking is 1–5.	TSR during 2011–2013 in comparison with a peer group. Full allotment will be obtained if Nordea is ranked number 1–5.	TSR during 2010–2012 in comparison with a peer group. Full allotment was obtained if Nordea was ranked number 1–5.
Cap	The market value of the allotted shares is capped to the participants' annual salary for year-end 2011.	The market value of the allotted shares is capped to the participants' annual salary for year-end 2010.	The market value of the allotted shares is capped to the participants' annual salary for year-end 2009.
Dividend compensation	The number of Matching Shares and Performance Shares will be adjusted for dividends on the underlying Nordea share during the vesting period, as if assuming that each dividend was used to immediately invest in additional Nordea shares.	The number of Matching Shares and Performance Shares will be adjusted for dividends on the underlying Nordea share during the vesting period, as if assuming that each dividend was used to immediately invest in additional Nordea shares.	—

G7 Staff costs, cont.
Fair value calculations

The fair value is measured through the use of generally accepted valuation models with the following input factors:

	LTIP 2012	LTIP 2011	LTIP 2010
Weighted average share price	EUR 6.70	EUR 8.39	EUR 6.88
Right life	3.0 years	3.0 years	3.0 years
Deduction of expected dividends	No	No	No
Risk free rate	Not applicable	Not applicable	Not applicable
Expected volatility	Not applicable	Not applicable	Not applicable

As the exercise price (zero for LTIP 2012, LTIP 2011 and LTIP 2010) is significantly below the share price at grant date, the value has a limited sensitivity to expected volatility and risk-free interest.

The value of the Performance Share II are based on market related conditions and fulfilment of the TSR, RAROCAR and P/B targets have been taken into consideration when calculat-

ing the rights' fair value at grant date. When calculating the impact from the market conditions it has been assumed that all possible outcomes have equal possibilities. Also the caps in each programme have been taken into consideration when calculating the rights' fair value at grant. The adjustment to fair value is approximately 2–3% of the weighted average share price.

Expenses for equity-settled share-based payment programmes¹

EURm	LTIP 2012	LTIP 2011	LTIP 2010
Expected expense for the whole programme	-29	-21	-14
Maximum expense for the whole programme	-29	-21	-14
Total expense during 2014	-14	-2	—
Total expense during 2013	-6	-7	-3

1) All amounts excluding social security contribution.

When calculating the expected expense an expected annual employee turnover of 5% has been used. The expected expense is recognised over the vesting period of 36 months.

Cash-settled share-based payment transactions

Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea Total Shareholder Returns (TSR) and either transferred after three years or transferred in equal instalments over a three to five year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain employee categories. Due to that the allocation of variable compensation is not finally decided during the current year, the deferred amount during the year in the table below relates to variable compensation earned the previous year.

In addition Nordea in 2013 introduced the Executive Incentive Programme ("EIP") which aims to strengthen Nordea's capability to retain and recruit the best talents. The aim is further to stimulate the managers and key employees whose efforts have direct impact on Nordea's result, profitability and long term value growth. EIP reward performance meeting agreed predetermined targets on Group, business unit and individual level. The effect on the long term result is to be con-

sidered when determining the targets. The EIP shall not exceed the fixed salary. EIP shall be paid in the form of cash and be subject to TSR-indexation, deferral, forfeiture clauses and retention as per relevant remuneration regulations. The main part of EIP 2014 is paid no earlier than autumn 2018. Participation in the programme is offered to up to 400 managers and key employees, except GEM who are instead offered a GEM EIP (further information about the GEM EIP can be found in the Remuneration section in the Board of Director's Report), within the Nordea Group. EIP is offered instead of Nordea's LTIP and VSP for the invited employees. The allocation of the EIP 2014 is decided during spring 2015, and a reservation of EUR 43m excl. social costs is made 2014. 80% of the allocated amount will be subject to TSR-indexation.

The below table only includes deferred amounts indexed with Nordea TSR. EIP has been included as from 2014, when deferred. Further information regarding all deferred amounts can be found in the separate report on remuneration published on Nordea's homepage (www.nordea.com).

EURm	Share linked deferrals	
	2014	2013
Opening balance	28	21
Deferred/earned during the year	17	15
TSR indexation during the year	4	9
Payments during the year ¹	-17	-15
Translation differences	0	-2
Closing balance	32	28

1) There have been no adjustments due to forfeitures in 2014.

G7 Staff costs, cont.

Average number of employees – Continuing operations

	Total		Men		Women	
	2014	2013	2014	2013	2014	2013
Full-time equivalents						
Denmark	8,255	8,251	4,328	4,512	3,927	3,739
Finland	6,971	7,116	1,990	1,863	4,981	5,253
Sweden	6,963	6,881	3,212	3,083	3,751	3,798
Norway	3,238	3,280	1,748	1,767	1,490	1,513
Russia	1,418	1,454	454	469	964	985
Poland	692	503	242	114	450	389
Estonia	486	468	104	102	382	366
Latvia	431	443	132	132	299	311
Luxembourg	373	376	245	240	128	136
Lithuania	351	340	110	101	241	239
United States	118	113	61	56	57	57
United Kingdom	75	69	46	45	29	24
Singapore	85	77	29	23	56	54
Germany	57	55	31	23	26	32
Switzerland	30	29	13	12	17	17
China	28	24	12	9	16	15
Brazil	4	4	3	2	1	2
Total average	29,575	29,483	12,760	12,553	16,815	16,930
Total number of employees (FTEs), end of period	29,397	29,429				

Gender distribution

In the parent company's Board of Directors 50% (67%) were men and 50% (33%) were women. In the Board of Directors of the Nordea Group companies, 75% (78%) were men and 25%

(22%) were women. The corresponding numbers for Other executives were 65% (69%) men and 35% (31%) women. Internal Boards consist mainly of management in Nordea.

G8 Other expenses

EURm	2014	2013
Information technology	-558	-671
Marketing and representation	-103	-116
Postage, transportation, telephone and office expenses	-177	-192
Rents, premises and real estate	-387	-373
Other	-410	-483
Total	-1,635	-1,835

Auditors' fees – Total operations

EURm	2014	2013
KPMG		
Auditing assignments	-5	-7
Audit-related services	-1	-1
Tax advisory services	0	0
Other assignments	-1	-5
Total	-7	-13
Ernst & Young		
Auditing assignments	-1	—
Audit-related services	0	—
Tax advisory services	0	—
Other assignments	0	—
Total	-1	—
Total Auditors' fees	-8	-13

G9 Depreciation, amortisation and impairment charges of tangible and intangible assets

EURm	2014	2013
Depreciation/amortisation		
Properties and equipment	-122	-91
Intangible assets	-110	-119
Total	-232	-210

Impairment charges/reversed impairment charges

Intangible assets	-350	-17
Total	-350	-17
Total	-582	-227

G10 Net loan losses

EURm	2014	2013
Loan losses divided by class		
Realised loan losses	-2	0
Allowances to cover realised loan losses	2	—
Reversals of previous provisions	23	1
Loans to credit institutions¹	23	1
Realised loan losses	-633	-709
Allowances to cover realised loan losses	450	508
Recoveries on previous realised loan losses	81	76
Provisions	-998	-1,131
Reversals of previous provisions	557	508
Loans to the public¹	-543	-748
Realised loan losses	-3	0
Allowances to cover realised loan losses	3	—
Recoveries on previous realised loan losses	—	0
Provisions	-107	-25
Reversals of previous provisions	93	37
Off-balance sheet items²	-14	12
Net loan losses	-534	-735

1) See Note G13 "Loans and impairment".

2) Included in Note G31 "Provisions" as "Transfer risk, off-balance" and "Individually assessed guarantees and other commitments".

G11**Taxes****Income tax expense**

EURm	2014	2013
Current tax	-887	-927
Deferred tax	-6	-31
Bank tax in Finland ¹	-60	-51
Total	-953	-1,009

1) The Finnish bank tax was introduced in 2013 and is based on risk exposure amount rather than income.

For current and deferred tax recognised in Other comprehensive income, see Statement of comprehensive income.

The tax on the Group's operating profit differs from the theoretical amount that would arise using the tax rate in Sweden (excluding bank tax in Finland) as follows:

EURm	2014	2013
Profit before tax	4,324	4,116
Tax calculated at a tax rate of 22.0%	-951	-906
Effect of different tax rates in other countries	-55	-123
Income from associated undertakings	2	17
Tax-exempt income	131	38
Non-deductible expenses	-25	-32
Adjustments relating to prior years	9	35
Utilization of non-capitalized tax losses carry-forwards from previous periods	1	2
Change of tax rate	3	33
Not creditable foreign taxes	-8	-22
Tax charge	-893	-958
Average effective tax rate	21%	23%

Deferred tax

EURm	Deferred tax assets		Deferred tax liabilities	
	2014	2013	2014	2013
Deferred tax related to:				
Tax losses carry-forward	283	50	—	—
Loans to the public	20	19	410	430
Derivatives	10	10	459	155
Intangible assets	0	0	44	72
Investment properties	0	0	150	155
Retirement benefit assets/obligations	156	25	60	52
Hedge of net investments in foreign operations	—	3	94	—
Liabilities/provisions	54	52	127	169
Other	7	7	39	6
Netting between deferred tax assets and liabilities	-400	-104	-400	-104
Total	130	62	983	935

EURm	2014	2013
Unrecognised deferred tax assets		
Unused tax losses carry-forward with no expire date	44	45
Total	44	45

G12
Earnings per share

	Total operations		Continuing operations		Discontinued operations	
	2014	2013	2014	2013	2014	2013
Earnings:						
Profit attributable to shareholders of Nordea Bank AB (publ) (EURm)	3,332	3,116	3,371	3,107	-39	9
Number of shares (in millions):						
Number of shares outstanding at beginning of year	4,050	4,050	4,050	4,050	4,050	4,050
Average number of own shares	-26	-31	-26	-31	-26	-31
Weighted average number of basic shares outstanding	4,024	4,019	4,024	4,019	4,024	4,019
Adjustment for diluted weighted average number of additional ordinary shares outstanding ¹	7	1	7	1	7	1
Weighted average number of diluted shares outstanding	4,031	4,020	4,031	4,020	4,031	4,020
Basic earnings per share, EUR–Total operations	0.83	0.77	0.84	0.77	-0.01	0.00
Diluted earnings per share, EUR–Total operations	0.83	0.77	0.84	0.77	-0.01	0.00

1) Relates to the Long Term Incentive Programmes (LTIP). For further information on these programmes, see Note G1 section 21.

G13
Loans and impairment

EURm	Central banks and credit institutions		The public ¹		Total	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Loans, not impaired	19,177	22,515	344,407	338,703	363,584	361,218
Impaired loans	—	24	6,425	6,540	6,425	6,564
– Performing	—	—	4,115	3,909	4,115	3,909
– Non-performing	—	24	2,310	2,631	2,310	2,655
Loans before allowances	19,177	22,539	350,832	345,243	370,009	367,782
Allowances for individually assessed impaired loans	—	-24	-2,329	-2,373	-2,329	-2,397
– Performing	—	—	-1,432	-1,372	-1,432	-1,372
– Non-performing	—	-24	-897	-1,001	-897	-1,025
Allowances for collectively assessed impaired loans	-2	-3	-418	-419	-420	-422
Allowances	-2	-27	-2,747	-2,792	-2,749	-2,819
Loans, carrying amount	19,175	22,512	348,085	342,451	367,260	364,963

1) Finance leases, where Nordea Group is a lessor, are included in Loans to the public, see Note G21 Leasing.

G13

Loans and impairment, cont.

Movements of allowance accounts for impaired loans

EURm	Central banks and credit institutions			The public			Total		
	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2014	-24	-3	-27	-2,373	-419	-2,792	-2,397	-422	-2,819
Provisions	1	0	1	-877	-121	-998	-876	-121	-997
Reversals of previous provisions	22	0	22	442	115	557	464	115	579
Changes through the income statement	23	0	23	-435	-6	-441	-412	-6	-418
Allowances used to cover realised loan losses	2	—	2	450	—	450	452	—	452
Translation differences	-1	1	—	29	7	36	28	8	36
Closing balance at 31 Dec 2014	0	-2	-2	-2,329	-418	-2,747	-2,329	-420	-2,749
Opening balance at 1 Jan 2013	-24	-4	-28	-2,376	-444	-2,820	-2,400	-448	-2,848
Provisions	0	0	0	-957	-174	-1,131	-957	-174	-1,131
Reversals of previous provisions	0	1	1	383	125	508	383	126	509
Changes through the income statement	0	1	1	-574	-49	-623	-574	-48	-622
Reclassified to assets held for sale	—	—	—	60	14	74	60	14	74
Allowances used to cover realised loan losses	—	—	—	508	—	508	508	—	508
Reclassification	—	—	—	-42	42	0	-42	42	0
Translation differences	0	0	0	51	18	69	51	18	69
Closing balance at 31 Dec 2013	-24	-3	-27	-2,373	-419	-2,792	-2,397	-422	-2,819

Allowances and provisions¹

EURm	Central banks and credit institutions		The public		Total	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Allowances for items on the balance sheet	-2	-27	-2,747	-2,792	-2,749	-2,819
Provisions for off balance sheet items	-9	-10	-63	-51	-72	-61
Total allowances and provisions	-11	-37	-2,810	-2,843	-2,821	-2,880

1) Included in Note G31 "Provisions" as "Transfer risk, off-balance" and "individually assessed guarantees and other commitments".

Key ratios¹

	31 Dec 2014	31 Dec 2013
Impairment rate, gross, basis points	174	178
Impairment rate, net, basis points	111	113
Total allowance rate, basis points	74	77
Allowances in relation to impaired loans, %	36	37
Total allowances in relation to impaired loans, %	43	43
Non-performing loans, not impaired, EURm	289	418

1) For definitions, see "Business definitions" on page 71.

G14 Interest-bearing securities

EURm	31 Dec 2014	31 Dec 2013
State and sovereigns	26,107	21,422
Municipalities and other public bodies	2,385	2,490
Mortgage institutions	28,742	32,481
Other credit institutions	23,730	23,931
Corporates	5,175	6,095
Corporates sub-investment grade	758	445
Other	213	450
Total	87,110	87,314

G16 Shares

EURm	31 Dec 2014	31 Dec 2013
Shares	15,505	12,164
Fund units, equity related	16,529	11,329
Fund units, interest related	7,745	9,809
Total	39,779	33,302
– of which Financial instruments pledged as collateral (Note G15)	30	31
Total	39,749	33,271

G15 Financial instruments pledged as collateral
Financial instruments pledged as collateral

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterparty receiving the collateral has the right to sell or repledge the assets, the assets are reclassified on the balance sheet to the item Financial instruments pledged as collateral.

EURm	31 Dec 2014	31 Dec 2013
Interest-bearing securities	12,121	9,544
Shares	30	31
Total	12,151	9,575

For information on transferred assets and reverse repos, see Note G43.

G17

Derivatives and Hedge accounting

31 Dec 2014, EURm	Fair value		Total nom amount
	Positive	Negative	
Derivatives held for trading			
Interest rate derivatives			
Interest rate swaps	62,562	56,949	4,187,058
FRAs	55	62	61,419
Futures and forwards	360	392	1,294,054
Options	15,447	12,815	456,865
Total	78,424	70,218	5,999,396
Equity derivatives			
Equity swaps	105	275	7,372
Futures and forwards	13	22	981
Options	549	780	20,132
Total	667	1,077	28,485
Foreign exchange derivatives			
Currency and interest rate swaps	17,526	19,612	723,861
Currency forwards	2,224	994	84,666
Options	467	329	29,654
Other	1	1	99
Total	20,218	20,936	838,280
Credit derivatives			
Credit Default Swaps (CDS)	2,864	2,853	91,827
Total	2,864	2,853	91,827
Commodity derivatives	71	19	787
Other derivatives	35	15	2,359
Total derivatives held for trading	102,279	95,118	6,961,134
Derivatives used for hedge accounting			
Interest rate derivatives	2,044	1,064	95,925
Equity derivatives	—	4	55
Foreign exchange derivatives	796	1,154	28,094
Total derivatives used for hedge accounting	2,840	2,222	124,074
– of which cash flow hedges	816	850	36,091 ¹
– of which fair value hedges	1,672	1,370	100,598 ¹
– of which net investment hedges	352	2	12,674
Total derivatives	105,119	97,340	7,085,208

1) Some cross currency interest rate swaps and interest rate swaps are used both as fair value hedges and cash flow hedges and the nominal amounts are then reported on both lines.

Periods when hedged cashflows are expected to occur and when they are expected to affect the income statement

31 Dec 2014, EURm	<1 year	1–3 years	3–5 years	5–10 years	10 years
Cash inflows (assets)	—	—	—	—	—
Cash outflows (liabilities)	3,626	10,022	3,989	3,628	1,191
Net cash outflows	3,626	10,022	3,989	3,628	1,191

G17
Derivatives and Hedge accounting, cont.

31 Dec 2013, EURm	Fair value		Total nom amount
	Positive	Negative	
Derivatives held for trading			
Interest rate derivatives			
Interest rate swaps	48,038	43,270	3,943,615
FRAs	16	18	50,590
Futures and forwards	206	210	1,155,477
Options	8,397	7,904	567,809
Total	56,657	51,402	5,717,491
Equity derivatives			
Equity swaps	86	151	5,381
Futures and forwards	3	5	733
Options	618	645	16,189
Total	707	801	22,303
Foreign exchange derivatives			
Currency and interest rate swaps	9,467	10,203	749,352
Currency forwards	472	510	84,848
Options	185	149	21,116
Total	10,124	10,862	855,316
Credit derivatives			
Credit Default Swaps (CDS)	1,337	1,361	60,888
Total	1,337	1,361	60,888
Commodity derivatives	144	113	3,925
Other derivatives	34	27	2,378
Total derivatives held for trading	69,003	64,566	6,662,301
Derivatives used for hedge accounting			
Interest rate derivatives	1,573	588	97,594
Foreign exchange derivatives	416	770	18,563
Total derivatives used for hedge accounting	1,989	1,358	116,157
– of which cash flow hedges	530	843	21,899 ¹
– of which fair value hedges	1,417	493	105,502 ¹
– of which net investment hedges	42	22	9,455
Total derivatives	70,992	65,924	6,778,458

1) Some cross currency interest rate swaps and interest rate swaps are used both as fair value hedges and cash flow hedges and the nominal amounts are reported on both lines.

Periods when hedged cashflows are expected to occur and when they are expected to affect the income statement

31 Dec 2013, EURm	<1 year	1–3 years	3–5 years	5–10 years	10 years
Cash inflows (assets)	67	—	—	—	65
Cash outflows (liabilities)	6,013	9,399	14,943	10,736	1,623
Net cash outflows	5,946	9,399	14,943	10,736	1,558

G18

Fair value changes of the hedged items in portfolio hedge of interest rate risk

EURm	31 Dec 2014	31 Dec 2013
Assets		
Carrying amount at beginning of year	203	-711
Changes during the year		
Revaluation of hedged items	63	926
Translation differences	-10	-12
Carrying amount at end of year	256	203
Liabilities		
Carrying amount at beginning of year	1,734	1,940
Changes during the year		
Revaluation of hedged items	1,812	-169
Translation differences	-128	-37
Carrying amount at end of year	3,418	1,734

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

G19

Investments in associated undertakings

EURm	31 Dec 2014	31 Dec 2013
Acquisition value at beginning of year	641	596
Acquisitions during the year	8	8
Sales during the year	-102	-4
Share in earnings ¹	22	86
Dividend received	-55	-62
Reclassification	-8	—
Translation differences	-18	17
Acquisition value at end of year	488	641
Accumulated impairment charges at beginning of year	-11	-11
Reversed impairment charges during the year	1	1
Reclassifications	8	-1
Translation differences	1	0
Accumulated impairment charges at end of year	-1	-11
Total	487	630

1) Share in earnings

EURm	2014	2013
Profit from companies accounted for under the equity method	18	79
Portfolio hedge, Eksportfinans ASA	-10	-7
Associated undertakings in Life insurance, reported as Net result from items at fair value	14	14
Share in earnings	22	86

Nordea's share of the associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

EURm	31 Dec 2014	31 Dec 2013
Total assets	4,068	5,069
Net profit or loss from continuing operations	-141	41
Other comprehensive income	—	—
Total comprehensive income	-141	41

Nordea has issued contingent liabilities of EUR 358m (EUR 1,052m) on behalf of associated undertakings.

G19 Investments in associated undertakings, cont.

31 Dec 2014	Registration number	Domicile	Carrying amount 2014, EURm	Carrying amount 2013, EURm	Voting power of holding %
Eksportfinans ASA	816521432	Oslo	164	184	23
Ejendomspartnerskabet af 1/7 2003	27134971	Ballerup	194	197	49
Suomen Luotto-osuuskunta	0201646-0	Helsinki	3	25	27
LR Realkredit A/S	26045304	Copenhagen	10	10	39
Realia Holding Oy	2106796-8	Helsinki	20	20	25
Samajet Nymøllevvej 59-91	24247961	Ballerup	21	21	25
E-nettet Holding A/S	28308019	Copenhagen	2	2	20
Hovedbanens Forretningscenter K/S	16301671	Ballerup	16	15	50
Ejendomsselskabet Axelborg I/S	79334413	Copenhagen	9	9	33
Automatia Pankkiautomaatit Oy	0974651-1	Helsinki	8	8	33
SWIPP Holding APS	36439696	Copenhagen	3	—	30
Bankernas Kontantservice A/S	33077599	Copenhagen	5	1	20
Bluegarden A/S	27226027	Ballerup	3	3	29
Samejet Lautruphøj I/S	50857859	Ballerup	6	6	50
Nets Holding A/S ¹	27225993	Ballerup	—	108	21
NF Techfleet AB	556967-5423	Ballerup	1	—	20
NF Fleet Oy	2006935-5	Espoo	5	3	20
Upplysningscentralen UC AB	556137-5113	Stockholm	2	3	26
Bankomat AB	556817-9716	Stockholm	5	5	20
Other			10	10	
Total			487	630	

1) Sold in July 2014.

G20 Intangible assets

EURm	31 Dec 2014	31 Dec 2013
Goodwill allocated to cash generating units¹		
Retail Banking Norway	787	847
Retail Banking Denmark	591	590
Retail Banking Sweden	221	231
Life & Pensions	296	309
Banking Russia	154	247
Shipping, Offshore & Oil services	185	197
Total goodwill	2,234	2,421
Computer software	580	757
Other intangible assets	94	68
Total intangible assets	2,908	3,246

1) Excluding goodwill in associated undertakings.

Movements in goodwill

Acquisition value at beginning of year	2,422	2,657
Reclassification to assets held for sale	—	-65
Translation differences	-187	-170
Acquisition value at end of year	2,235	2,422
Accumulated impairment charges at beginning of year	-1	-1
Accumulated impairment charges at end of year	-1	-1
Total	2,234	2,421

G20

Intangible assets, cont.

EURm	31 Dec 2014	31 Dec 2013
Movements in computer software		
Acquisition value at beginning of year	1,184	1,041
Acquisitions during the year	279	191
Disposals during the year	-10	-4
Reclassifications	4	-12
Translation differences	-42	-32
Acquisition value at end of year	1,415	1,184
Accumulated amortisation at beginning of year	-380	-305
Amortisation according to plan for the year	-85	-89
Accumulated amortisation on disposals during the year	10	3
Reclassifications	—	2
Translation differences	7	9
Accumulated amortisation at end of year	-448	-380
Accumulated impairment charges at beginning of year	-47	-42
Impairment charges during the year	-350	-17
Reclassifications	—	9
Translation differences	10	3
Accumulated impairment charges at end of year	-387	-47
Total	580	757

Impairment testing of goodwill

A cash generating unit, defined as the operating segment, is the basis for the goodwill impairment test.

The impairment test is performed for each cash generating unit by comparing the carrying amount of the net assets, including goodwill, with the recoverable amount. The recoverable amount is the value in use and is estimated based on discounted cash flows. Due to the long-term nature of the investments, cash flows are expected to continue indefinitely.

Cash flows in the near future (generally between 3–5 years) are based on financial forecasts, derived from forecasted margins, volumes and cost development. These input variables are based on historical data adjusted to reflect Nordea's assumptions about the future. Cash flows for the period beyond the forecasting period are based on estimated sector growth rates. For impairment testing, a growth rate of 2.0% (2.5%) has been used for all Nordic cash generating units. For cash generating units in Poland and Russia, 2.5% (4.0%) and 2.5% (4.5%) have been used. Growth rates are based on historical data, updated to reflect the current situation.

Cash flows include normalised loan losses.

The derived cash flows are discounted at a rate based on the market's long-term risk-free rate of interest and yield requirements. The post-tax discount rate used for the impairment test 2014 is 7.5% (8.5%), which equals a pre-tax rate of 9.9% (11.3%). For operations in Poland, an additional risk premium of 130 (170) basis points has been applied and for Russia an additional risk premium of 580 (250) basis points has been applied.

The impairment tests conducted in 2014 did not indicate any need for goodwill impairment. See Note G1 section 4 for more information.

An increase in the discount rate of 1 percentage point or a reduction in the future growth rate of 1 percentage points are considered to be reasonably possible changes in key assumptions. Such a change would not result in an impairment in any of the cash generating units, except for the Life business in Poland. An increase in the discount rate by 1 percentage point would result in an impairment loss of EUR 8m and a decrease in the growth rate by 1 percentage point would result in an impairment loss of EUR 6m in Life Poland. The goodwill allocated to Poland amounts to EUR 40m.

The impairment test for Russia did not indicate any impairment loss based on the estimated cash flows and abovementioned assumptions. Reasonable possible changes to the discount rate and the growth rate do not trigger any impairment loss, but the current turmoil in Russia does however create uncertainty also around estimated cash flows. It is however Nordea's assessment that even a significant decrease in future cash flows would, all other assumptions unchanged, not lead to an impairment loss.

Impairment testing of IT development projects

The main driver behind the impairment is the decision to build new core banking and payment platforms, but to some extent also current decisions following reassessments of useful lives of other systems. Reassessments of useful lives follow the recently observed increase in the pace at which the regulatory and technological development is moving. The impairment has been included in "Group Functions, Other and Eliminations" in the business area reporting and as a reconciling item in Note G2 "Segment reporting". The recoverable amount of relevant systems is estimated based on their value in use. The impairment of capitalised IT development amounting to EUR 350m is recognised on the line "Depreciation, amortisation and impairment charges of tangible and intangible assets".

G21
Leasing
Nordea as a lessor
Finance leases

Nordea owns assets leased to customers under finance lease agreements. Finance lease agreements are reported as receivables from the lessee included in "Loans to the public" (see Note G13) at an amount equal to the net investment in the lease. The leased assets mainly comprise vehicles, machinery and other equipment.

Reconciliation of gross investments and present value of future minimum lease payments:

EURm	31 Dec 2014	31 Dec 2013
Gross investments	7,480	7,751
Less unearned finance income	-356	-343
Net investments in finance leases	7,124	7,408
Less unguaranteed residual values accruing to the benefit of the lessor	-22	-73
Present value of future minimum lease payments receivable	7,102	7,335
Accumulated allowance for uncollectible minimum lease payments receivable	8	10

As of 31 December 2014 the gross investment and the net investment by remaining maturity was distributed as follows:

EURm	31 Dec 2014	
	Gross Investment	Net Investment
2015	2,085	1,965
2016	1,651	1,568
2017	1,559	1,509
2018	778	746
2019	709	681
Later years	698	655
Total	7,480	7,124

Operating leases

Assets subject to operating leases mainly comprise real estate, vehicles, aeroplanes and other equipment. On the balance sheet they are reported as tangible assets.

Under non-cancellable operating leases, the future minimum lease payments receivable are distributed as follows:

EURm	31 Dec 2014
2015	10
2016	8
2017	12
2018	4
2019	4
Later years	1
Total	39

Nordea as a lessee
Finance leases

Nordea has only to a minor extent entered into finance lease agreements.

Operating leases

Nordea has entered into operating lease agreements for premises and office equipment.

Leasing expenses during the year, EURm	31 Dec 2014	31 Dec 2013
Leasing expenses during the year	-236	-250
– of which minimum lease payments	-233	-227
– of which contingent rents	-3	-23
Leasing income during the year regarding sublease payments	6	8

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

EURm	31 Dec 2014
2015	175
2016	140
2017	110
2018	92
2019	64
Later years	272
Total	853

Total sublease payments expected to be received under non-cancellable subleases amounts to EUR 15m.

G22 Investment properties

EURm	31 Dec 2014	31 Dec 2013
Carrying amount at beginning of year	3,524	3,408
Acquisitions during the year	172	504
Sales during the year	-423	-219
Fair value adjustments	50	-40
Transfers/reclassifications during the year	-35	-5
Translation differences	-61	-124
Carrying amount at end of year	3,227	3,524

Amounts recognised in the income statement¹

EURm	2014	2013
Fair value adjustments	50	-40
Rental income	220	236
Direct operating expenses that generate rental income	-43	-45
Direct operating expenses that did not generate rental income	-9	-8
Total	218	143

1) Included in Net result from items at fair value.

The method applied when calculating fair value is a rate of return calculation, based on internal models. As a supplement to these values, appraisals were obtained from independent external valuers for parts of the investment properties.

Approximately 75% of the investment properties are valued using internal models based on a rate of return calculation. For the remaining 25% of the investment properties, appraisals were obtained from independent external valuers.

For further information regarding investment properties, see note G40.

G23 Other assets

EURm	31 Dec 2014	31 Dec 2013
Claims on securities settlement proceeds	3,339	2,977
Cash/margin receivables	11,176	6,122
Other	3,066	1,965
Total	17,581	11,064

G24 Prepaid expenses and accrued income

EURm	31 Dec 2014	31 Dec 2013
Accrued interest income	404	1,123
Other accrued income	487	477
Prepaid expenses	723	783
Total	1,614	2,383

G25 Deposits by credit institutions

EURm	31 Dec 2014	31 Dec 2013
Central banks	13,601	12,632
Banks	28,940	30,699
Other credit institutions	13,781	15,759
Total	56,322	59,090

G26 Deposits and borrowings from the public

EURm	31 Dec 2014	31 Dec 2013
Deposits ¹	168,682	168,029
Contracts where the return is based on separate assets	4,287	4,302
Repurchase agreements	24,285	28,412
Total	197,254	200,743

1) Deposits related to individual pension savings (IPS) are also included.

G27
Liabilities to policyholders

EURm	31 Dec 2014	31 Dec 2013
Traditional life insurance provisions	19,705	20,613
– of which guaranteed provisions	19,612	20,520
– of which non-guaranteed provisions	93	93
Collective bonus potential	3,732	2,897
Unit-linked insurance provisions	11,026	9,321
– of which guaranteed provisions	0	290
– of which non-guaranteed provisions	11,026	9,031
Insurance claims provision	387	420
Provisions, Health & personal accident	253	238
Total insurance contracts	35,103	33,489
Investment contracts	16,740	13,737
– of which guaranteed provisions	3,666	3,431
– of which non-guaranteed provisions	13,074	10,306
Total	51,843	47,226

Liabilities to policyholders are obligations related to insurance contracts. These contracts are divided into contracts containing insurance risk and contracts without insurance risk. The latter are pure investments contracts.

Insurance contracts consists of Life insurance provisions and other insurance related items.

Life insurance contracts are measured and recognised in accordance with IFRS 4, i.e. the measurement and recognition principle under previous GAAP has been maintained consequently resulting in non-uniform accounting policies method on consolidation. Each market represented by Nordic and European entities measures and recognises insurance contracts using local accounting policies.

31 Dec 2014, EURm	Traditional life insurance provisions	Collective bonus potentials	Unit-linked insurance provisions	Insurance claims provisions	Provisions, Health & per- sonal accident	Investment contracts provisions	Total
Provisions/bonus potentials, beginning of year	20,613	2,897	9,321	420	238	13,737	47,226
Gross premiums written	878	—	1,797	—	—	4,473	7,148
Transfers	-822	—	152	—	—	-749	-1,419
Addition of interest/ investment return	454	—	468	—	—	1,345	2,267
Claims and benefits	-2,004	—	-990	-29	5	-1,539	-4,557
Expense loading including addition of expense bonus	-110	—	-79	—	—	-89	-278
Change in provisions/ bonus potential	0	915	0	—	13	—	928
Other	1,042	0	373	—	—	18	1,433
Translation differences	-346	-80	-16	-4	-3	-456	-905
Provisions/bonus potentials, end of year	19,705	3,732	11,026	387	253	16,740	51,843
Provision relating to bonus schemes/ discretionary participation feature:	95%					17%	

31 Dec 2013, EURm	Traditional life insurance provisions	Collective bonus potentials	Unit-linked insurance provisions	Insurance claims provisions	Provisions, Health & per- sonal accident	Investment contracts provisions	Total
Provisions/bonus potentials, beginning of year	23,399	1,924	7,169	463	259	12,106	45,320
Gross premiums written	1,090	—	1,571	—	—	3,615	6,276
Reclassification to liabilities held for sale	-6	—	-188	-13	-4	-305	-516
Transfers	-729	—	748	—	—	-484	-466
Addition of interest/investment return	523	—	413	—	—	1,119	2,055
Claims and benefits	-2,377	—	-641	-24	-4	-1,866	-4,912
Expense loading including addition of expense bonus	-113	—	-64	—	—	-83	-260
Change in provisions/bonus potential	0	1,027	0	—	-9	—	1,018
Other	-501	-12	352	—	—	7	-153
Translation differences	-673	-42	-39	-6	-4	-372	-1,136
Provisions/bonus potentials, end of year	20,613	2,897	9,321	420	238	13,737	47,226
Provision relating to bonus schemes/ discretionary participation feature:	94%					20%	

G27

Liabilities to policyholders, cont.

Insurance risks

Insurance risk is described in the “Risk, Liquidity and Capital management” section of the Board of Directors’ Report. Additional quantitative information is found below.

Life insurance risk and market risks in the Life insurance operations

	31 Dec 2014		31 Dec 2013 ³	
	Effect on policyholders liabilities ¹	Effect on Nordeas Equity ²	Effect on policyholders liabilities ¹	Effect on Nordeas Equity ²
Sensitivites EURm				
Mortality – increased living with 1 year	68.3	-52.6	74.6	-57.4
Mortality – decreased living with 1 year	-1.3	0.9	-6.6	5.1
Disability – 10% increase	27.7	-21.3	28.1	-21.6
Disability – 10% decrease	-16.1	12.4	-13.8	10.6
50 bp increase in interest rates	-915.0	-7.6	-794.2	-20.4
50 bp decrease in interest rates	1,001.7	4.7	851.6	13.3
12% decrease in all share prices	-1,684.3	-1.8	-1,587.1	-1.5
8% decrease in property value	-240.3	-0.7	-275.2	-0.6
8% loss on counterpart	-31.7	0.0	-7.1	0.0

1) + (plus) indicates that policyholders liabilities increase.

2) + (minus) indicates that equity decrease.

3) The methodology for calculating the sensitivities and the effects has been changed. The figures for 2013 have been restated.

Liabilities to policyholders divided in guarantee levels (technical interest rate)

31 Dec 2014, EURm	Non	0 pct.	0 to 2 pct.	2 to 3 pct.	3 to 4 pct.	Over 4 pct.	Total liabilities
Technical provision	24,194	2,236	7,854	5,391	3,966	3,830	47,471
31 Dec 2013, EURm	Non	0 pct.	0 to 2 pct.	2 to 3 pct.	3 to 4 pct.	Over 5 pct.	Total liabilities
Technical provision	19,429	3,885	6,896	5,339	4,015	4,107	43,671

Risk profiles on insurance

Product	Risk types	Material effect
Traditional	– Mortality	Yes
	– Disability	Yes
	– Return guaranties	Yes
Unit-Link	– Mortality	Yes
	– Disability	Yes
	– Return guaranties	No
Health and personal accident	– Mortality	No
	– Disability	Yes
	– Return guaranties	No
Financial contract	– Mortality	No
	– Disability	No
	– Return guaranties	No

For investments where the customer is bearing the risk, see Note G44.

G28

Debt securities in issue

EURm	31 Dec 2014	31 Dec 2013
Certificates of deposit	22,926	16,329
Commercial papers	30,133	35,975
Covered bonds	98,986	92,188
Other bonds	42,155	41,020
Other	74	90
Total	194,274	185,602

G29

Other liabilities

EURm	31 Dec 2014	31 Dec 2013
Liabilities on securities settlement proceeds	3,085	2,458
Sold, not held, securities	6,903	10,995
Accounts payable	174	186
Cash/margin payables	10,061	5,867
Other	6,750	5,231
Total	26,973	24,737

G30 Accrued expenses and prepaid income

EURm	31 Dec 2014	31 Dec 2013
Accrued interest	45	1,999
Other accrued expenses	1,589	1,331
Prepaid income	309	347
Total	1,943	3,677

G31 Provisions

EURm	31 Dec 2014	31 Dec 2013
Reserve for restructuring costs	167	89
Transfer risk, off-balance	10	12
Individually assessed guarantees and other commitments	62	49
Tax	1	2
Other	65	25
Total	305	177

EURm	Restructuring	Transfer risk	Guarantees/ commitments	Tax	Other	Total
At beginning of year	89	12	49	2	25	177
New provisions made	183	4	103	1	17	308
Provisions utilised	-51	—	-5	-1	-4	-61
Reversals	-34	-6	-87	-1	-4	-132
Reclassifications	-17	—	0	—	31	14
Translation differences	-3	0	2	0	0	-1
At end of year	167	10	62	1	65	305

Provisions for restructuring costs amounts to EUR 167m and covers termination benefit (EUR 144m) and other provisions mainly related to redundant premises (EUR 23m). The restructuring activities have mainly been launched to reach the anticipated cost efficiency and profitability, and as a part of this Nordea plans to reduce the number of employees, partly through close down of branches. The majority of the provision is expected to be used during 2015–2016. As with any other provision there is an uncertainty around timing and amount, which is expected to decrease as the plan is being executed.

Provision for Transfer risk of EUR 10m is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed impaired loans in Note G13. Provision for transfer risk is depending on the volume of business with different countries.

Loan loss provisions for individually assessed guarantees and other commitments amounted to EUR 62m.

Provision for legal disputes amounts to EUR 4m (EUR 4m expected to be settled 2015) and other provisions to EUR 61m (EUR 59m expected to be settled 2015).

G32

Retirement benefit obligations

EURm	31 Dec 2014	31 Dec 2013
Defined benefit plans, net	498	13
Total	498	13

Nordea sponsors both defined contribution plans (DCP) and defined benefit plans (DBP). IAS 19 secures that the pension obligations net of plan assets backing these obligations are reflected on the Group's balance sheet. The major plans in each country are funded schemes covered by assets in pension funds/foundations.

The plans are structured in accordance with local regulations and legislations, local practice and, where applicable, collective agreements. Nordea's main DBPs in Sweden, Norway and Finland are all employer financed final salary and service based pension plans providing pension benefits on top of the statutory systems. All DBPs are closed for new entrants, new employees are offered DCPs. DBPs in Sweden are mainly offered in accordance with collective agreements and follows the regulations in the Pension Obligations Vesting Act (Tryggandelagen). Plan assets are held in a separate pension foundation. In Norway the DBPs are in accordance with the Nordea Norway occupational pension plan and follows the Occupational Pension Act (Foretakspensjonloven). In Norway plan assets are also held by a separate pension fund. In Finland Nordea is providing additional pension benefits on top of the statutory system in accordance with the Nordea Finland occupational pension plan and follows the regulations in the Employees' Pension Act (TyEL). Plan assets are generally held in a separate pension foundation. Minimum funding requirements differ between plans but where such requirements are based on collective agreements or internal policies the funding requirement is generally that the pension obligations measured using local requirements shall be covered in full or with a predefined surplus. Some pension plans are not covered by funding requirements and are generally unfunded. Quarterly assessments are made to secure the level of future contributions.

Defined benefit plans may impact Nordea via changes in the net present value of obligations and/or changes in the market value of plan assets. Changes in the obligation are most importantly driven by changes in assumptions on discount rates (interest rates and credit spreads), salary increases, turnover and mortality as well as relevant experience adjustments where the actual outcome differs from the assumption. Assets are invested in diversified portfolios as further disclosed below, with bond exposures mitigating the interest rate risk in the obligations and a fair amount of real assets (inflation protected) to reduce the long term inflationary risk in liabilities.

No significant plan amendments, curtailments and settlements have been made during the year.

IAS 19 pension calculations and assumptions

Calculations on major plans are performed by external liability calculators and are based on different actuarial assumptions.

Assumptions ¹	Swe	Nor	Fin	Den
2014				
Discount rate ²	2.50%	2.50%	2.00%	2.25%
Salary increase	2.50%	3.00%	2.00%	2.50%
Inflation	1.50%	1.75%	1.50%	1.50%
Mortality	DUS06	GAP07/173	Gompertz	FSA
2013				
Discount rate ²	3.75%	4.00%	3.50%	3.50%
Salary increase	2.50%	3.00%	2.50%	2.50%
Inflation	1.50%	2.00%	1.50%	2.00%
Mortality	DUS06	GAP07/173	Gompertz	FSA

1) The assumptions disclosed for 2014 have an impact on the liability calculation by year-end 2014, while the assumptions disclosed for 2013 are used for calculating the pension expense in 2014.

2) More information on the discount rate can be found in Note G1, section 22. The sensitivities to changes in the discount rate can be found below.

Sensitivities – Impact on Defined Benefit Obligation (DBO) %

	Swe	Nor	Fin	Den
Discount rate – Increase 50bps	-8.0%	-7.2%	-7.2%	-5.2%
Discount rate – Decrease 50bps	9.2%	8.1%	8.1%	5.7%
Salary increase – Increase 50bps	2.8%	2.7%	0.4%	5.6%
Salary increase – Decrease 50bps	-1.8%	-2.5%	-0.4%	-5.2%
Inflation – Increase 50bps	8.1%	6.6%	4.7%	—
Inflation – Decrease 50bps	-7.0%	-6.0%	-4.3%	—
Mortality – Increase 1 year	3.5%	3.3%	2.9%	5.1%
Mortality – Decrease 1 year	-3.5%	-3.2%	-2.8%	-4.9%

The sensitivity analyses are prepared by changing one actuarial assumption while keeping the other assumptions unchanged. This is a simplified approach since the actuarial assumptions usually are correlated. However, it enables the reader to isolate one effect from another. The method used for calculating the impact on the obligation is the same as when calculating the obligation accounted for in the financial statements. Compared with the 2013 Annual Report there have been no changes in the methods used when preparing the sensitivity analyses.

As all pensions in Denmark are salary indexed, the inflation has no impact on the DBO in Denmark.

G32 Retirement benefit obligations, cont.
Net retirement benefit liabilities/assets

EURm	Swe 2014	Nor 2014	Fin 2014	Den 2014	Total 2014	Total 2013
Obligations	1,663	968	985	111	3,727	3,130
Plan assets	1,497	636	972	124	3,229	3,117
Net liability(-)/asset(+)	-166	-332	-13	13	-498	-13
– of which retirement benefit liabilities	166	332	33	9	540	334
– of which retirement benefit assets	—	—	20	22	42	321

Movements in the obligation

EURm	Swe 2014	Nor 2014	Fin 2014	Den 2014	Total 2014	Total 2013
Opening balance	1,368	829	818	115	3,130	3,452
Current service cost	23	17	3	0	43	49
Interest cost	50	31	29	4	114	118
Pensions paid	-68	-32	-43	-9	-152	-162
Past service cost and settlements	22	25	0	-15	32	-6
Remeasurement from changes in demographic assumptions	—	—	—	1	1	4
Remeasurement from changes in financial assumptions	300	165	181	14	660	-102
Remeasurement from experience adjustments	15	-9	-10	1	-3	-26
Translation differences	-91	-81	7	0	-165	-162
Change in provision for SWT/SSC ¹	44	23	—	—	67	-35
Closing balance	1,663	968	985	111	3,727	3,130
– of which relates to the active population	34%	47%	10%	—	30%	

1) Change in provision for special wage tax (SWT) and social security contribution (SSC) in Sweden and Norway.

The average duration of the obligation is 16 years in Sweden, 15 years in Norway, 14 years in Finland and 10 years in Denmark based on discounted cash flows. The fact that all DBPs are closed for new entrants and that there are no active members in Denmark, and to some extent also in Finland, leads to lower duration.

Movements in the fair value of plan assets

EURm	Swe 2014	Nor 2014	Fin 2014	Den 2014	Total 2014	Total 2013
Opening balance	1,412	650	927	128	3,117	3,125
Interest income (calculated using the discount rate)	52	26	32	5	115	111
Pensions paid	—	-17	-43	-7	-67	-69
Settlements	—	8	—	-13	-5	0
Contributions by employer	0	5	7	2	14	67
Refund to employer	—	—	-21	—	-21	—
Remeasurement (actual return less interest income)	118	18	62	9	207	16
Translation differences	-85	-54	8	0	-131	-133
Closing balance	1,497	636	972	124	3,229	3,117

Asset composition

The combined return on assets in 2014 was 10.3% (4.1%). The assets return was driven particularly by strong return on long dated sovereign bonds. Other assets including equity investments, real estate and credit investments also contributed positively. At the end of the year the equity exposure in pension funds/foundations represented 26% (25%) of total assets.

G32 Retirement benefit obligations, cont.

Asset composition in funded schemes	Swe 2014	Nor 2014	Fin 2014	Den 2014	Total 2014	Total 2013
Bonds	72%	55%	60%	82%	66%	65%
– sovereign	35%	44%	42%	48%	39%	38%
– covered bonds	26%	11%	4%	34%	18%	17%
– corporate bonds	11%	0%	14%	0%	9%	10%
– issued by Nordea entities	—	—	—	—	—	3%
– with quoted market price in an active market	72%	55%	60%	82%	66%	65%
Equity	26%	28%	27%	14%	26%	25%
– domestic	8%	7%	9%	14%	8%	8%
– european	7%	9%	7%	—	7%	7%
– US	7%	8%	7%	—	7%	6%
– emerging	4%	4%	4%	—	4%	4%
– Nordea share	1%	—	—	—	0%	—
– with quoted market price in an active market	26%	28%	27%	14%	26%	25%
Real estate ¹	—	12%	10%	—	5%	7%
– occupied by Nordea	—	—	3%	—	1%	1%
Cash and cash equivalents	2%	5%	3%	4%	3%	3%

1) The geographical location of the real estate follows the geographical location of the relevant pension plan.

The Group expects to contribute EUR 34m to its defined benefit plans in 2015.

Defined benefit pension cost

The total net pension cost related to defined benefit plans recognised in the Group's income statement (as staff costs) for the year is EUR 99m (EUR 61m). Total pension costs comprise defined benefit pension costs as well as costs related to defined contribution plans (see specification in Note G7).

Recognised in the income statement, EURm	Swe 2014	Nor 2014	Fin 2014	Den 2014	Total 2014	Total 2013
Current service cost	23	17	3	0	43	49
Net interest	-2	5	-3	-1	-1	7
Past service cost and settlements ¹	22	18	0	-2	38	-6
SWT/SSC ²	13	6	—	—	19	11
Pension cost on defined benefit plans (expense+/income-)	56	46	0	-3	99	61

1) The past service cost 2014 mainly regards termination benefits in connection to the cost efficiency programme launched in the second quarter.

2) Cost related to special wage tax (SWT) in Sweden and social security contribution (SSC) in Norway.

Compared with the pension cost 2013, excluding past service cost and related SWT and SSC, the pension cost has decreased in 2014. Mainly as a consequence of the change of actuarial assumptions at the end of 2013.

Recognised in other comprehensive income, EURm	Swe 2014	Nor 2014	Fin 2014	Den 2014	Total 2014	Total 2013
Remeasurement from changes in demographic assumptions	—	—	—	1	1	4
Remeasurement from changes in financial assumptions	300	165	181	14	660	-102
Remeasurement from experience adjustments	15	-9	-10	1	-3	-26
Remeasurement of plan assets (actual return less interest income)	-118	-18	-62	-9	-207	-16
SWT/SSC ¹	48	19	0	0	67	-15
Pension cost on defined benefit plans (expense+/income-)	245	157	109	7	518	-155

1) Cost related to special wage tax (SWT) in Sweden and social security contribution (SSC) in Norway.

G32

Retirement benefit obligations, cont.

Multiemployer plans

In 2010 the Norwegian Parliament decided to change the AFP (Avtalefestet Pensjon) plan in Norway as from 2011. The change gave rise to a new multiemployer defined benefit plan that cannot be calculated as such, as information on Nordea's share of the liabilities and pension costs in the plan is not available from Fellesordningen (the administrator). Consequently the new AFP plan has to be accounted for as a defined contribution plan in accordance with IAS 19. Information on the funded status in the plan is not available.

The new AFP plan gives the entitled employees a lifelong addition to regular pensions from the age of 62. Further, the new scheme allows the employees to continue working while receiving AFP without this affecting the pension rights. The plan is founded on the basis of a three party cooperation between employer organisations, employee organisations and the Norwegian government. The government covers one third of the pension expense to the AFP plan while the member companies collectively cover the remaining two thirds of the pension expense. The premium the member firms are paying to the plan is determined to be sufficient to cover on-going pension expenses as well as provide a basis for building up a pension fund. The purpose of the pension fund is to ensure sufficient ability to cover expected future pension obligations.

The premium rate for 2014 is 2.2% of the employees' wages between 1 and 7.1 times the average base amount according to

the Norwegian National Insurance Act. The premium is calculated based on the average wages and base amounts from the previous year, excluding employees over the age of 61. Total premiums paid in 2014 amount to EUR 3m. Payments to the plan during 2014 covered 2,975 employees. The premium rate for 2015 will be 2.4% of the employees' wages between 1 and 7.1 times the average base amount according to the Norwegian National Insurance Act. The expected premium in 2015 amounts to EUR 3m.

The employees that meet the requirements for AFP are guaranteed AFP payments regardless of the solvency of their employers. As a result the employer members have joint responsibility for two thirds of the payable pensions to the employees that at any given time meet the requirements for AFP. Any deficit or surplus on windup of the plan or entities' withdrawal from the plan will not have any impact on Nordea.

Key management personnel

The Group's total pension obligations regarding key management personnel amounted to EUR 30m (EUR 35m) at the end of the year. These obligations are to a high degree covered by plan assets. Defined benefit pension costs (Current service cost as well as Past service cost and settlements as defined in IAS 19) related to key management personnel in 2014 were EUR 2m (EUR 2m). Complete information concerning key management personnel is disclosed in Note G7.

G33

Subordinated liabilities

EURm	31 Dec 2014	31 Dec 2013
Dated subordinated debenture loans	4,434	4,107
Undated subordinated debenture loans	1,557	574
Hybrid capital loans	1,951	1,864
Total	7,942	6,545

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans and hybrid capital loans. Within each respective category, the loans entitle lenders to equal payment rights.

G34 Assets pledged as security for own liabilities

EURm	31 Dec 2014	31 Dec 2013
Assets pledged for own liabilities		
Securities etc ¹	19,571	19,944
Loans to the public	130,539	128,766
Other assets pledged	12,931	25,708
Total	163,041	174,418

The above pledges pertain to the following liabilities

Deposits by credit institutions	8,620	9,892
Deposits and borrowings from the public	8,618	11,681
Derivatives	10,667	5,990
Debt securities in issue	98,547	92,176
Other liabilities and commitments	19,971	20,203
Total	146,423	139,942

1) Relates only to securities recognised on the balance sheet. Securities borrowed or bought under reverse repurchase agreements are not recognised on the balance sheet and thus not included in the amount. Such transactions are disclosed in Note G43, Transferred assets and obtained collaterals.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreement and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

Securities in the Life operations are also pledged as security for the corresponding insurance liabilities.

Loans to the public have been registered as collateral for issued covered bonds and mortgage bonds in line with local legislation. In the event of the company's insolvency, the holders of these bonds have priority to the assets registered as collateral.

Other assets pledged relates to certificate of deposits pledged by Nordea to comply with authority requirements.

G35 Other assets pledged

Other assets pledged are mainly related to securities which includes interest-bearing securities pledged as securities for payment settlements within the central banks and clearing institutions (EUR 11,247m (EUR 7,412m)). The terms and conditions require day to day securities and relate to liquidity intraday/over night. Collateral pledged on behalf of other items other than the company's own liabilities, e.g. on behalf of a third party or on behalf of the company's own contingent liabilities are also accounted for under this item.

G36 Contingent liabilities

EURm	31 Dec 2014	31 Dec 2013
Guarantees		
– Loan guarantees	4,811	3,560
– Other guarantees	15,027	15,409
Documentary credits	2,102	1,831
Other contingent liabilities	77	70
Total	22,017	20,870

In the normal business Nordea issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank services and support the bank's customers. Guarantees and documentary credits are off-balance sheet items, unless there is a need for a provision to cover a probable loan loss that arises from the judgement that reimbursement will not be received.

Nordea Bank AB (publ) has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against them in their capacity as managing directors or board member in group undertakings to Nordea Bank AB (publ).

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age. For further disclosures, see Note G7.

Legal proceedings

Within the framework of the normal business operations, Nordea faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently, none of the current disputes are considered likely to have any significant adverse effect on the Group or its financial position.

G37 Commitments

EURm	31 Dec 2014	31 Dec 2013
Unutilised overdraft facilities	38,234	44,053
Loan commitments	36,057	34,279
Future payment obligations	722	422
Other commitments	922	845
Total	75,935	79,599

Reverse repurchase agreements are recognised on and derecognised from the balance sheet on settlement date. Nordea has as per 31 December 2014 signed reverse repurchase agreements that have not yet been settled and consequently are not recognised on the balance sheet. On settlement date these reverse repurchase agreements will, to the utmost extent, replace existing reverse repurchase agreements not yet derecognised as per 31 December 2014. The net impact on the balance sheet is minor. These instruments have not been disclosed as commitments.

For information about credit commitments, see Note G1, section 24, about derivatives, see Note G17 and about reverse repos, see Note G43.

Capital adequacy is a measure of the financial strength of a bank, usually expressed as a ratio of capital to assets. There is a worldwide capital adequacy standard (Basel III) drawn up by the Basel Committee on Banking Supervision. Within the EU, the capital adequacy requirements are outlined in the Capital Requirements Directive IV (CRD IV) and Capital Requirements Regulation (CRR).

CRD IV/CRR require higher capitalisation levels and better quality of capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk based requirement, measures to promote the build-up of capital that can be drawn in periods of stress and the introduction of liquidity standards. CRD IV was implemented through national law within all EU countries during 2014, while the CRR entered into force in all EU countries on the first of January 2014.

The Basel III framework is built on three Pillars:

- Pillar I – requirements for the calculation of REA and Capital
- Pillar II – rules for the Supervisory Review Evaluation Process (SREP) including the Internal Capital Adequacy Assessment Process (ICAAP)
- Pillar III – rules for the disclosure on risk and capital management, including capital adequacy

Nordea performs an ICAAP with the purpose to review the management, mitigation and measurement of material risks within the business environment in order to assess the adequacy of capitalisation and to determine an internal capital requirements reflecting the risks of the institution.

The ICAAP is a continuous process which increases awareness of capital requirements and exposure to material risks throughout the organisation, both in the business area and legal entity dimensions. Stress tests are important drivers of risk awareness, looking at capital and risk from a firm-wide perspective on a regular basis and on an ad-hoc basis for specific areas or segments. The process includes a regular dialogue with supervisory authorities, rating agencies and other external stakeholders with respect to capital management, measurement and mitigation techniques used.

Nordea's capital levels continue to be adequate to support the risks taken, both from an internal perspective as well as from the perspective of supervisors. Heading into 2015, Nordea will continue to closely follow the development of the new capital requirement regime as well as maintain its open dialogue with the supervisory authorities.

The disclosures in this note cover the Nordea Group as defined on page 133.

Own funds

Own funds is the sum of Tier 1 and Tier 2 capital. Tier 1 capital consists of both common equity Tier 1 (CET1) and additional Tier 1 capital.

Tier 1 capital

Tier 1 capital is the sum of common equity tier 1 capital and additional Tier 1 capital. CET1 capital is considered to be capital of the highest quality with ultimate loss-absorbing characteristics and consists predominately of paid in capital and retained earnings. Profit may only be included after permission from the financial supervisory authority and after deduction of proposed dividend. Due to the implementation of CRR, deduction that according to previous rules were made 50 % from Tier 1 and 50 % from tier 2 are now fully deducted from common equity tier 1. Fur-

thermore, CRR also changes the treatment of investments in financial sector entities and deferred tax assets that rely on future profitability and arise from temporary differences, which are now risk weighted instead of deducted from Tier 1 and Tier 2.

Additional Tier 1 capital items consist of additional Tier 1 instruments and the related share premium.

Additional Tier 1 instruments

Additional Tier 1 instruments are subordinated capital instruments that rank senior only to share capital. CRR specifies the necessary characteristics required for inclusion in additional Tier 1 capital. The instruments are loss-absorbing from a going concern perspective as coupons can be cancelled at any time at the full discretion of the issuer and the principal will be written down if the Common Equity Tier 1 capital ratio would fall below a pre-defined trigger level. The instruments may only be repaid with the permission from the Swedish FSA and not earlier than five years after original issuance of the instrument. Additional Tier 1 instruments that fulfil the CRR requirements are fully included whereas remaining instruments are phased out according to transitional rules.

Tier 2 capital

Tier 2 capital must be subordinated to depositors and general creditors of the bank. It cannot be secured or covered by a guarantee of the issuer or related entity or include any other arrangement that legally or economically enhances the seniority of the claim vis-à-vis depositors and other bank creditors.

Tier 2 instruments

Tier 2 instruments are subordinated instruments. The basic principle for subordinated instruments in own funds is the order of priority in case of a default or bankruptcy situation. Under such conditions, the holder of the subordinated instrument would be repaid after other creditors, but before shareholders. Tier 2 instruments can be dated or undated instruments. According to the regulation, Tier 2 instruments that fulfil the CRD IV requirements are fully included whereas remaining instruments are phased out according to transitional rules.

The inclusion of outstanding Tier 2 instruments in the Tier 2 capital is reduced if the remaining maturity is less than five years. During 2014, Nordea redeemed one Tier 2 instrument of EUR 468m. As of year-end, Nordea held EUR 4.3bn in dated subordinated instruments and EUR 3.5bn in undated subordinated instruments.

The tables below shows the main features of outstanding Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments.

G38

Capital adequacy, cont.

Table A2 Transitional own funds

	(A) amount at disclosure date, EURm	(C) amounts subject to pre-regulation (eu) no 575/2013 treatment or prescribed residual amount of regulation (eu) no 575/2013
Common Equity Tier 1 capital: instruments and reserves		
1 Capital instruments and the related share premium accounts	5,130	—
of which: Share capital	4,050	—
2 Retained earnings	21,198	—
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-318	—
5 Minority interests (amount allowed in consolidated CET1)	0	0
5a Independently reviewed interim profits net of any foreseeable charge or dividend	558	—
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	26,567	—
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	-272	—
8 Intangible assets (net of related tax liability) (negative amount)	-2,584	—
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where conditions in Article 38 (3) are met) (negative amount)	0	—
11 Fair value reserves related to gains or losses on cash flow hedges	-5	—
12 Negative amounts resulting from the calculation of expected loss amounts	-344	0
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-49	—
15 Defined-benefit pension fund assets (negative amount)	-33	0
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-6	—
25 of which: deferred tax assets arising from temporary differences	0	—
25b Foreseeable tax charges relating to CET1 items (negative amount)	0	—
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-453	5
Of which: ... filter for unrealised loss 1	0	—
Of which: ... filter for unrealised gain 1	-453	—
28 Total regulatory adjustments to Common equity Tier 1 (CET1)	-3,747	—
29 Common Equity Tier 1 (CET1) capital	22,821	—
Additional Tier 1 (AT1) capital: instruments		
30 Capital instruments and the related share premium accounts	1,224	—
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	1,576	447
36 Additional Tier 1 (AT1) capital before regulatory adjustments	2,800	—
Additional Tier 1 (AT1) capital: regulatory adjustments		
37 Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	-32	—
41a Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	0
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	-32	—
44 Additional Tier 1 (AT1) capital	2,768	—
45 Tier 1 capital (T1 = CET1 + AT1)	25,588	—
Tier 2 (T2) capital: instruments and provisions		
46 Capital instruments and the related share premium accounts	4,496	—
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	516	0
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	0	0
49 of which: instruments issued by subsidiaries subject to phase out	0	—
51 Tier 2 (T2) capital before regulatory adjustments	5,012	—

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Capital adequacy, cont.

Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-46	—
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-505	—
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	0	—
57	Total regulatory adjustments to Tier 2 (T2) capital	-551	—
58	Tier 2 (T2) capital	4,461	—
59	Total capital (TC = T1 + T2)	30,049	—
60	Total risk weighted assets	145,475	—
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	15.7%	—
62	Tier 1 (as a percentage of risk exposure amount)	17.6%	—
63	Total capital (as a percentage of risk exposure amount)	20.7%	—
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	2.5%	—
65	of which: capital conservation buffer requirement	2.5%	—
66	of which: countercyclical buffer requirement	0.0%	—
67	of which: systemic risk buffer requirement	0.0%	—
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.0%	—
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	11.2%	—
Amounts below the threshold for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	233	—
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	926	—
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	0	—
Applicable caps to the inclusion of provisions in Tier 2			
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	105,637	—
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	634	—
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
82	Current cap on AT1 instruments subject to phase out arrangements	1,576	—
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-447	—
84	Current cap on T2 instruments subject to phase out arrangements	764	—
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	—

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Capital adequacy, cont.

Minimum capital requirement and REA

EURm	31 Dec 2014		31 Dec 2013	
	Minimum Capital requirement	REA	Minimum Capital requirement	REA
Credit risk	9,522	119,029	10,376	129,705
– of which counterparty credit risk	843	10,535	505	6,312
IRB	8,451	105,637	8,965	112,061
– of which corporate	5,743	71,792	6,787	84,844
– of which advanced	4,048	50,600	—	—
– of which foundation	1,695	21,192	6,787	84,844
– of which institutions	766	9,572	468	5,848
– of which retail	1,755	21,940	1,588	19,848
– of which secured by immovable property collateral	878	10,982	862	10,772
– of which other retail	792	9,897	622	7,778
– of which SME	85	1,061	104	1,298
– of which other	187	2,333	122	1,521
Standardised	1,071	13,392	1,411	17,644
– of which central governments or central banks	57	717	20	258
– of which regional governments or local authorities	17	211	14	170
– of which public sector entities	2	20	3	32
– of which multilateral development banks	—	—	—	—
– of which international organisations	—	—	—	—
– of which institutions	27	338	49	611
– of which corporate	154	1,921	301	3,768
– of which retail	255	3,181	476	5,949
– of which secured by mortgages on immovable properties	222	2,777	386	4,826
– of which in default	12	155	35	449
– of which associated with particularly high risk	53	666	—	—
– of which covered bonds	—	—	—	—
– of which institutions and corporates with a short-term credit assessment	—	—	—	—
– of which collective investments undertakings (CIU)	—	—	2	21
– of which equity	195	2,442	—	—
– of which other items	77	964	125	1,560
Credit Value Adjustment Risk	185	2,308	—	—
Market risk	584	7,296	700	8,753
– of which trading book, Internal Approach	312	3,898	410	5,131
– of which trading book, Standardised Approach	112	1,402	186	2,321
– of which banking book, Standardised Approach	160	1,996	104	1,301
Operational risk	1,347	16,842	1,344	16,796
Standardised	1,347	16,842	1,344	16,796
Sub total	11,638	145,475	12,420	155,254
Adjustment for Basel I floor				
Additional capital requirement according to Basel I floor	5,995	74,938	4,318	53,969
Total	17,633	220,413	16,738	209,223
Leverage ratio¹				31 Dec 2014
Tier 1 capital, transitional definition, EURm ²				25,382
Leverage ratio exposure, EURm				590,759
Leverage ratio, percentage				4.3

1) Leverage ratio and volumes presented is based on three month average according to local FSA reporting process.

2) Including profit of the period.

Capital requirements for market risk

EURm	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other ¹	958	77	1,114	89	—	—	2,072	166
Equity risk	285	23	277	22	—	—	562	45
Foreign exchange risk	333	27	—	—	1,996	160	2,329	187
Commodity risk	—	—	12	1	—	—	12	1
Settlement risk	—	—	0	0	0	0	0	0
Diversification effect	-633	-51	—	—	—	—	-633	-51
Stressed Value-at-Risk	1,850	148	—	—	—	—	1,850	148
Incremental Risk Measure	636	51	—	—	—	—	636	51
Comprehensive Risk Measure	468	37	—	—	—	—	468	37
Total	3,897	312	1,403	112	1,996	160	7,296	584

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

The Nordea Group may transfer capital within its legal entities without material restrictions. International transfers of capital between legal entities are normally possible after approval by the local regulator and are of importance in governing the capital position of the Group. The guarantee schemes introduced within the EU in 2008 limit the transferability of capital under certain circumstances, which serves to impact cross-border financial groups. No such restrictions were however directly affecting Nordea as per end of 2014. More Capital Adequacy information for the Group can be found in the Capital management section page 63 and in the Pillar III report.

Table A3–A5 include disclosure of capital instruments’ main features in accordance with §6.4 in FFFS 2014:18 and using the template in Annex II in article 3 in Commission implementing regulation (EU) No 1423/2013. Template items are excluded if not applicable.

Table A3 – Capital main features template – CET1

Common equity Tier 1 capital

1	Issuer	Nordea Bank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SE0000427361
3	Governing law(s) of the instrument	Swedish
	<i>Regulatory treatment</i>	
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 4,050m
9	Nominal amount of instrument	EUR 4,049,951,919
10	Accounting classification	Shareholders’ equity
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
	<i>Coupons / dividends</i>	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1
36	Non-compliant transitioned features	No

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Capital adequacy, cont.

Table A4 – Capital main features template – AT1

Additional Tier 1 instrument

1	Issuer	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS0200688256	W5795#AA7	US65557AAB35/ USW5816FCM42	W5795#AB5	XS0453319039	US65557CAM55/ US65557DAM39	US65557CAN39/ US65557DAL55
3	Governing law(s) of the instrument	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by the laws of the State of New York, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law
<i>Regulatory treatment</i>								
4	Transitional CRR rules	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Tier 2	Ineligible	Ineligible	Ineligible	Ineligible	Additional Tier 1	Additional Tier 1
6	Eligible at solo/ (sub-) consolidated/ solo & (sub-) consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 484.4
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 500m	EUR 138m	EUR 494m	EUR 69m	EUR 823m	EUR 816m	EUR 408m
9	Nominal amount of instrument	EUR 500m	JPY 20,000m	USD 600m	JPY 10,000m	USD 1,000m	USD 1,000m	USD 500m
9a	Issue price	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent
9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	17-Sep-04	4-Mar-05	20-Apr-05	12-Oct-05	25-Sep-09	23-Sep-14	23-Sep-14
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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Capital adequacy, cont.

15	Optional call date, contingent call dates, and redemption amount	17-Sep-09 In addition tax/ regulatory call 100 per cent of nominal amount	4-Mar-35 In addition tax/ regulatory call 100 per cent of nominal amount	20-Apr-15 In addition tax/ regulatory call 100 per cent of nominal amount	12-Oct-35 In addition tax/ regulatory call 100 per cent of nominal amount	25-Mar-15 In addition tax/ regulatory call 100 per cent of nominal amount	23-Sep-19 In addition tax/ regulatory call 100 per cent of nominal amount	23-Sep-24 In addition tax/ regulatory call 100 per cent of nominal amount
16	Subsequent call dates, if applicable	17-Mar and 17-Sep each year after first call date	4-Mar and 4-Sep each year after first call date	20-Jan, 20-Apr, 20-Jul and 20-Oct each year after first call date	12-Apr and 12-Oct each year after first call date	25-Mar and 25-Sep each year after first call date	23-Mar and 23-Sep each year after first call date	23-Mar and 23-Sep each year after first call date
<i>Coupons/dividends</i>								
17	Fixed or floating dividend/coupon	Floating	Fixed to floating	Fixed to floating	Fixed to floating	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Floating 10-year CMS +0.05 per cent per annum subject to 8 per cent cap	Fixed USD 3.75 per cent per annum, until first call date, thereaf- ter floating 6-month JPY deposit +1.22 per cent per annum	Fixed 5.424 per cent per annum, until first call date, thereafter floating 3-month LIBOR +1.5875 per cent per annum	Fixed USD 3.84 per cent per annum, until first call date, thereaf- ter floating 6-month JPY deposit +1.40 per cent per annum	Fixed 8.375 per cent per annum until first call date, thereafter 5-year US Treas- ury +5.985 per cent per annum, until 25 March 2020, thereafter 5-year US Treas- ury +8.9775 per cent per annum	Fixed 5.50 per cent per annum, until first call date, thereafter fixed 5-year mid swap +3.563 per cent per annum	Fixed 6.125 per cent per annum, until first call date, thereafter fixed 5-year mid swap +3.388 per cent per annum
19	Existence of a dividend stopper	Yes	Yes	Yes	Yes	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary Dividend stopper	Partially discretionary Dividend stopper	Partially discretionary Dividend stopper	Partially discretionary Dividend stopper	Partially discretionary Dividend pusher	Fully discretionary	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	Yes	Yes	Yes	Yes	No	No
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
30	Write-down features	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger (s)	To avoid liquidation	To avoid liquidation	To avoid liquidation	To avoid liquidation	To avoid or reme- dy any breach of Applicable Banking Regulations, shareholders resolution	Group CET1 ratio <8 per cent Issuer CET1 ratio <5.125 per cent	Group CET1 ratio <8 per cent Issuer CET1 ratio <5.125 per cent
32	If write-down, full or partial	Full or Partially	Full or Partially	Full or Partially	Full or Partially	Full or Partially	Full or Partially	Full or Partially
33	If write-down, permanent or temporary	Temporary	Temporary	Temporary	Temporary	Temporary	Temporary	Temporary
34	If temporary write-down, description of write-up mechanism	Shareholders res- olution regarding reconversion and reinstatement, made out of avail- able distribution funds	Shareholders res- olution regarding reconversion and reinstatement, made out of avail- able distribution funds	Shareholders res- olution regarding Reconversion and Reinstatement made out of avail- able distribution funds	Shareholders res- olution regarding reconversion and reinstatement, made out of avail- able distribution funds	Shareholders res- olution regarding reconversion and reinstatement, made out of avail- able distribution funds	Fully discretion- ary, if a positive net profit of both Issuer and Group	Fully discretion- ary, if a positive net profit of both Issuer and Group

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Capital adequacy, cont.

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
36	Non-compliant transitioned features	Yes	Yes	Yes	Yes	Yes	No	No
37	If yes, specify non-compliant features	No specified trigger level, dividend stopper	No specified trigger level, step-up, dividend stopper	No specified trigger level, step-up, dividend stopper	No specified trigger level, step-up, dividend stopper	No specified trigger level, step-up, dividend pusher	N/A	N/A

Table A5 – Capital main features template – T2

Tier 2 instruments

1	Issuer	Nordea Bank Norge ASA	Nordea Bank Finland PLC	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	GB0001961928	N/A	XS0497179035	XS0544654162	US65557FAA49/ US65557HAA05	XS0743689993	US65557FAD87/ US65557HAD44
3	Governing law(s) of the instrument	Governed by English law, except for the subordination provisions which are governed by Norwegian law	Governed by English law, except for the subordination provisions which are governed by Finnish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by the laws of the State of New York, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by the laws of the State of New York, except for the subordination provisions which are governed by Swedish law
<i>Regulatory treatment</i>								
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Ineligible	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/ (sub-) consolidated/ solo & (sub-) consolidated	Solo, sub-consolidated & consolidated	Solo, sub-consolidated & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 (grandfathered) as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 165m	EUR 69m	EUR 997m	EUR 747m	EUR 1,023m	EUR 748m	EUR 816m
9	Nominal amount of instrument	USD 200m	JPY 10,000m	EUR 1,000m	EUR 750m	USD 1,250m	EUR 750m	USD 1,000m
9a	Issue price	100 per cent	100 per cent	99.810 per cent	99.699 per cent	99.508 per cent	99.803 per cent	99.364 per cent
9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount

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Capital adequacy, cont.

10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	04-Nov-86	22-Aug-01	26-Mar-10	29-Sep-10	13-May-11	15-Feb-12	21-Sep-12
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	No maturity	No maturity	26-Mar-20	29-Mar-21	13-May-21	15-Feb-22	21-Sep-22
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates, and redemption amount	18-Nov-91 In addition tax call 100 per cent of nominal amount	26-Feb-29 In addition tax call 100 per cent of nominal amount	Tax/regulatory call 100 per cent of nominal amount	Tax call 100 per cent of nominal amount	Tax call 100 per cent of nominal amount	15-Feb-17 In addition tax call 100 per cent of nominal amount	Tax call/regulatory call, 100 per cent of nominal amount
16	Subsequent call dates, if applicable	18-May and 18-Nov each year after first call date	26-Feb and 26-Aug each year after first call date	N/A	N/A	N/A	N/A	N/A
<i>Coupons/dividends</i>								
17	Fixed or floating dividend/coupon	Floating	Fixed to floating	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Floating 6-month USD +0.1875 per cent per annum	Fixed USD 4.51 per cent per annum to call date, thereafter floating rate equivalent to 6-month JPY Deposit +2.00 per cent per annum	4.50%	4.00%	4.875%	Fixed 4.625 per cent per annum (equivalent to Euro Swap Rate +3.15 per cent per annum) to call date, thereafter reset fixed rate to Euro Swap Rate +3.15 per cent per annum	4.25%
19	Existence of a dividend stopper	No	No	No	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary Dividend pusher	Partially discretionary Dividend pusher	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	Yes	No	No	No	No	No
22	Noncumulative or cumulative	Cumulative	Cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
30	Write-down features	No	No	No	No	No	No	No

G38**Capital adequacy, cont.**

35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior debt	Senior debt	Senior debt	Senior debt	Senior debt	Senior debt	Senior debt
36	Non-compliant transitioned features	No	Yes	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	Step-up	N/A	N/A	N/A	N/A	N/A

Specification of group undertakings 31 December 2014

Owner	Company name	Voting power of holding, %	Domicile	Consolidation method
Nordea Bank AB (publ)	Nordea Bank Finland Plc	100	Finland	Purchase method
Nordea Bank Finland Plc	Nordea Finance Finland Ltd	100	Finland	Purchase method
	Realia Holding Oy	25	Finland	Equity method
Nordea Finance Finland Ltd	Tukirahoitus Oy	100	Finland	Purchase method
	Nordea Finance Estonia Ltd	100	Estonia	Purchase method
	Nordea Finance Latvia Ltd	100	Latvia	Purchase method
	Nordea Finance Lithuania Ltd	100	Lithuania	Purchase method
	NF Fleet Oy	20	Finland	Equity method
Nordea Finance Estonia Ltd	ALD Automotive Eesti AS	25	Estonia	Equity method
Nordea Finance Latvia Ltd	ALD Automotive SIA	25	Latvia	Equity method
Nordea Finance Lithuania Ltd	UAB ALD Automotive	25	Lithuania	Equity method
<i>Nordea Bank Finland Plc</i>	<i>Ancillary service undertakings</i>			
Nordea Bank AB (publ)	Nordea Bank Norge ASA	100	Norway	Purchase method
Nordea Bank Norge ASA	Nordea Eiendoms kreditt AS	100	Norway	Purchase method
	Nordea Finans Norge AS	100	Norway	Purchase method
	Eksportfinans ASA	23	Norway	Purchase method
Nordea Finans Norge AS	NF Fleet AS	20	Norway	Equity method
<i>Nordea Bank Norge ASA</i>	<i>Ancillary service undertakings</i>			
Nordea Bank AB (publ)	Nordea Bank Danmark A/S	100	Denmark	Purchase method
Nordea Bank Danmark A/S	LR-Realkredit A/S	39	Denmark	Equity method
	Nordea Finans Danmark A/S	100	Denmark	Purchase method
	Nordea Kredit Realkreditaktieselskab	100	Denmark	Purchase method
	NJK1 ApS	100	Denmark	Purchase method
	Swipp Holding ApS	30	Denmark	Equity method
	Bankernas Kontantservice A/S	20	Denmark	Equity method
	Fiona Asset Company A/S	100	Denmark	Purchase method
Nordea Finans Danmark A/S	Fleggaard Busleasing	39	Germany	Equity method
	NF Fleet A/S	20	Denmark	Equity method
	K/S UL 676	100	Denmark	Purchase method
	K/S UL 677	100	Denmark	Purchase method
	K/S UL 678	100	Denmark	Purchase method
	UL Transfer Aps	100	Denmark	Purchase method

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Capital adequacy, cont.
Specification over group undertakings 31 December 2014, cont.

Owner	Company name	Voting power of holding, %	Domicile	Consolidation method	
Nordea Finans Danmark A/S	UL International ApS	100	Denmark	Purchase method	
	DT Finance K/S	100	Denmark	Purchase method	
	BH Finance K/S	100	Denmark	Purchase method	
	NAMIT 10 K/S	100	Denmark	Purchase method	
	City 10 K/S	100	Denmark	Purchase method	
	Tide Leasing 2012 K/S	100	Denmark	Purchase method	
	LB12 K/S	100	Denmark	Purchase method	
	BAAS 2012 K/S	100	Denmark	Purchase method	
<i>Nordea Bank Danmark A/S</i>	<i>Ancillary service undertakings</i>				
Nordea Bank AB (publ)	OOO Promyshlennaya Companiya Vestkon	100	Russia	Purchase method	
OOO Promyshlennaya Companiya Vestkon / Nordea Bank AB (publ)	Join Stock Company Nordea Bank	100	Russia	Purchase method	
Join Stock Company Nordea Bank	Nordea Leasing LLC	100	Russia	Purchase method	
<i>Join Stock Company Nordea Bank</i>	<i>Ancillary service undertakings</i>				
Nordea Bank AB (publ)	Nordea Hypotek AB (publ)	100	Sweden	Purchase method	
	Nordea Finans Sverige AB (publ)	100	Sweden	Purchase method	
	Nordea Investment Management AB	100	Sweden	Purchase method	
	Bankomatcentralen AB	48	Sweden	Equity method	
	Svenska e-fakturabolaget AB	50	Sweden	Equity method	
	BDB Bankernas Depå AB	20	Sweden	Equity method	
	BAB Bankernas Automatbolag AB	20	Sweden	Equity method	
	Getswish AB (former Goldcup 8289)	20	Sweden	Equity method	
	PK Properties Int'l Corp	100	USA	Purchase method	
	Nordea Funds Ltd	100	Finland	Purchase method	
	Nordea Finans Sverige AB (publ)	NF Fleet AB	20	Sweden	Purchase method
	Nordea Investment Management AB	Nordea Investment Management North America Inc	100	USA	Purchase method
		Nordea Investment Management AG	100	Germany	Purchase method
Nordea Private Equity Holding A/S	Nordea Private Equity Holding A/S	100	Denmark	Purchase method	
	Nordea Private Equity I A/S	100	Denmark	Purchase method	
	Nordea Private Equity II - Global A/S	100	Denmark	Purchase method	
	Nordea Private Equity III - GLOBAL A/S	100	Denmark	Purchase method	
	Nordea Private Equity II - EU Mezz A/S	100	Denmark	Purchase method	
	Nordea Private Equity II - EU MM Buyout A/S	100	Denmark	Purchase method	
	PWM Global PE III ApS	100	Denmark	Purchase method	
Nordea Finans Sweden, Finland, Norway and Denmark	NF Techfleet AB	20	Sweden	Equity method	
<i>Nordea Bank AB (publ)</i>	<i>Ancillary service undertakings</i>				
Nordea Bank AB (publ) / Nordea Investment Management AB	Nordea Bank S.A.	100	Luxembourg	Purchase method	
Nordea Bank S.A.	Nordea Investment Funds S.A.	100	Luxembourg	Purchase method	

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Classification of financial instruments

31 Dec 2014, EURm	Loans and receivables	Held to maturity	Financial assets at fair value through profit or loss			Derivatives used for hedging	Available for sale	Non-financial assets and associates	Total
			Held for trading	Designated at fair value through profit or loss					
Assets									
Cash and balances with central banks	31,067	—	—	—	—	—	—	—	31,067
Loans to central banks	6,676	—	282	—	—	—	—	—	6,958
Loans to credit institutions	7,657	—	4,547	13	—	—	—	—	12,217
Loans to the public	246,862	—	49,517	51,706	—	—	—	—	348,085
Interest-bearing securities	—	2,630	34,418	18,541	—	31,521	—	—	87,110
Financial instruments pledged as collateral	—	—	12,151	—	—	—	—	—	12,151
Shares	—	—	8,445	31,300	—	4	—	—	39,749
Derivatives	—	—	102,279	—	2,840	—	—	—	105,119
Fair value changes of the hedged items in portfolio hedge of interest rate risk	256	—	—	—	—	—	—	—	256
Investments in associated undertakings	—	—	—	—	—	—	—	487	487
Intangible assets	—	—	—	—	—	—	—	2,908	2,908
Properties and equipment	—	—	—	—	—	—	—	509	509
Investment properties	—	—	—	—	—	—	—	3,227	3,227
Deferred tax assets	—	—	—	—	—	—	—	130	130
Current tax assets	—	—	—	—	—	—	—	132	132
Retirement benefit assets	—	—	—	—	—	—	—	42	42
Other assets	4,590	—	—	11,176	—	—	—	1,815	17,581
Prepaid expenses and accrued income	1,123	—	4	—	—	—	—	487	1,614
Total	298,231	2,630	211,643	112,736	2,840	31,525	9,737	669,342	

31 Dec 2014, EURm	Financial liabilities at fair value through profit or loss					Other financial liabilities	Non-financial liabilities	Total
	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging					
Liabilities								
Deposits by credit institutions	—	23,806	3,220	—	29,296	—	—	56,322
Deposits and borrowings from the public	—	24,577	8,343	—	164,334	—	—	197,254
Liabilities to policyholders	—	—	16,741	—	—	35,102	—	51,843
Debt securities in issue	—	8,001	42,619	—	143,654	—	—	194,274
Derivatives	—	95,118	—	2,222	—	—	—	97,340
Fair value changes of the hedged items in portfolio hedge of interest rate risk	—	—	—	—	3,418	—	—	3,418
Current tax liabilities	—	—	—	—	—	368	—	368
Other liabilities	—	6,903	10,061	—	6,377	3,632	—	26,973
Accrued expenses and prepaid income	—	9	—	—	345	1,589	—	1,943
Deferred tax liabilities	—	—	—	—	—	983	—	983
Provisions	—	—	—	—	—	305	—	305
Retirement benefit liabilities	—	—	—	—	—	540	—	540
Subordinated liabilities	—	—	—	—	7,942	—	—	7,942
Total		158,414	80,984	2,222	355,366	42,519		639,505

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Classification of financial instruments, cont.

31 Dec 2013, EURm	Loans and receivables	Held to maturity	Financial assets at fair value through profit or loss				Available for sale	Non-financial assets and associates	Assets held for sale	Total
			Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Designated at fair value through profit or loss				
Assets										
Cash and balances with central banks	33,529	—	—	—	—	—	—	—	—	33,529
Loans to central banks	11,014	—	755	—	—	—	—	—	—	11,769
Loans to credit institutions	4,281	—	5,851	611	—	—	—	—	—	10,743
Loans to the public	250,026	—	39,159	53,266	—	—	—	—	—	342,451
Interest-bearing securities	—	5,359	33,985	19,968	—	28,002	—	—	—	87,314
Financial instruments pledged as collateral	—	—	9,575	—	—	—	—	—	—	9,575
Shares	—	—	7,683	25,584	—	4	—	—	—	33,271
Derivatives	—	—	69,003	—	1,989	—	—	—	—	70,992
Fair value changes of the hedged items in portfolio hedge of interest rate risk	203	—	—	—	—	—	—	—	—	203
Investments in associated undertakings	—	—	—	—	—	—	630	—	—	630
Intangible assets	—	—	—	—	—	—	3,246	—	—	3,246
Properties and equipment	—	—	—	—	—	—	431	—	—	431
Investment properties	—	—	—	—	—	—	3,524	—	—	3,524
Deferred tax assets	—	—	—	—	—	—	62	—	—	62
Current tax assets	—	—	—	—	—	—	31	—	—	31
Retirement benefit assets	—	—	—	—	—	—	321	—	—	321
Other assets	4,057	—	—	6,122	—	—	885	—	—	11,064
Prepaid expenses and accrued income	1,886	—	20	—	—	—	477	—	—	2,383
Assets held for sale	—	—	—	—	—	—	—	8,895	—	8,895
Total	304,996	5,359	166,031	105,551	1,989	28,006	9,607	8,895	8,895	630,434

31 Dec 2013, EURm	Financial liabilities at fair value through profit or loss							Liabilities held for sale	Total
	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Liabilities held for sale			
Liabilities									
Deposits by credit institutions	23,064	2,743	—	33,283	—	—	—	—	59,090
Deposits and borrowings from the public	26,743	10,106	—	163,894	—	—	—	—	200,743
Liabilities to policyholders	—	13,737	—	—	33,489	—	—	—	47,226
Debt securities in issue	6,955	35,121	—	143,526	—	—	—	—	185,602
Derivatives	64,566	—	1,358	—	—	—	—	—	65,924
Fair value changes of the hedged items in portfolio hedge of interest rate risk	—	—	—	1,734	—	—	—	—	1,734
Current tax liabilities	—	—	—	—	303	—	—	—	303
Other liabilities	10,996	5,867	—	5,747	2,127	—	—	—	24,737
Accrued expenses and prepaid income	29	427	—	1,890	1,331	—	—	—	3,677
Deferred tax liabilities	—	—	—	—	935	—	—	—	935
Provisions	—	—	—	—	177	—	—	—	177
Retirement benefit liabilities	—	—	—	—	334	—	—	—	334
Subordinated liabilities	—	—	—	6,545	—	—	—	—	6,545
Liabilities held for sale	—	—	—	—	—	—	4,198	—	4,198
Total	132,353	68,001	1,358	356,619	38,696	38,696	4,198	4,198	601,225

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Classification of financial instruments, cont.

Loans designated at fair value through profit or loss

EURm	31 Dec 2014	31 Dec 2013
Carrying amount	51,719	53,877
Maximum exposure to credit risk	51,719	53,877
Carrying amount of credit derivatives used to mitigate the credit risk	—	—

Financial assets and liabilities designated at fair value through profit or loss

Changes in fair values of financial liabilities attributable to changes in credit risk

The financial liabilities designated at fair value through profit or loss exposed to changes in credit risk are issued bonds in the Danish group undertaking Nordea Kredit Realkreditaktieselskab, EUR 42,619m (EUR 35,121m), the funding of the Markets operation, EUR 17,337m (EUR 14,841m) deposits linked to the investment return of separate assets, EUR 4,287m (EUR 4,302m) and investment contracts in Life, EUR 16,741m (EUR 13,737m). The funding of Markets is generally of such a short term nature that the effect of changes in own credit risk is not significant. The value of the investment contracts in Life and assetlinked deposits is directly linked to the assets in the contracts and there is consequently no effect from changes in own credit risk in these contracts.

The fair value of bonds issued by Nordea Kredit Realkreditaktieselskab decreased by EUR 6m (increased EUR 16m) in 2014 due to changes in own credit risk. The cumulative change since designation is a decrease of EUR 592m (decrease EUR 596m). The method used to estimate the amount of changes in fair value attributable to changes in market conditions is based on relevant benchmark interest rates, which are the average yields on Danish and German (EUR) government bonds.

For the issued mortgage bonds a change in the liability's credit risk and price will have a corresponding effect on the value of the loans. The reason is that a change in the price of the bonds will be offset by the opposite change in the value of the prepayment option of the loan.

Changes in fair values of financial assets attributable to changes in credit risk

Lending designated at fair value through profit or loss exposed to changes in credit risk consist of lending in the Danish group undertaking Nordea Kredit Realkreditaktieselskab, EUR 51,244m (EUR 48,829m) and lending in the Markets operation, EUR 475m (EUR 5,048m). The fair value of lending in Nordea Kredit Realkreditaktieselskab decreased by EUR 7m (increased EUR 9m) in 2014 due to changes in credit risk. The cumulative change since designation is a decrease of EUR 153m (decrease EUR 160m). The method used to estimate the amount of change in the fair value attributable to changes in credit risk is similar to the incurred loss impairment model for amortised cost assets under IAS 39. The lending in Markets is generally of such a short term nature (mainly overnight deposits) that the effect of changes in credit risk is not significant. Also instruments classified as "Other assets" and "Prepaid expenses and accrued income" are of such a short-term nature that the impact from changes in credit risk is not significant.

Comparison of carrying amount and contractual amount to be paid at maturity

2014, EURm	Carrying amount	Amount to be paid at maturity
Financial liabilities designated at fair value through profit or loss	80,984	79,198
2013, EURm	Carrying amount	Amount to be paid at maturity
Financial liabilities designated at fair value through profit or loss	68,001	67,339

Liabilities to policyholders have no fixed maturities and there is no fixed amount to be paid. The amount disclosed to be paid at maturity has been set to the carrying amount.

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Assets and liabilities at fair value

Fair value of financial assets and liabilities

EURm	31 Dec 2014		31 Dec 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	31,067	31,067	33,529	33,529
Loans	367,516	368,872	365,166	365,166
Interest-bearing securities	87,110	87,421	87,314	87,439
Financial instruments pledged as collateral	12,151	12,151	9,575	9,575
Shares	39,749	39,749	33,271	33,271
Derivatives	105,119	105,119	70,992	70,992
Other assets	15,766	15,766	10,179	10,179
Prepaid expenses and accrued income	1,127	1,127	1,906	1,906
Total	659,605	661,272	611,932	612,057
Financial liabilities				
Deposits and debt instruments	459,210	460,653	453,714	455,368
Liabilities to policyholders	16,741	16,741	13,737	13,737
Derivatives	97,340	97,340	65,924	65,924
Other liabilities	23,341	23,341	22,610	22,610
Accrued expenses and prepaid income	354	354	2,346	2,346
Total	596,986	598,429	558,331	559,985

For information about valuation of items measured at fair value on the balance sheet, see Note G1 and the section "Determination of fair values for items measured at fair value on the balance sheet" below. For information about valuation of items not measured at fair value on the balance sheet, see the section "Financial assets and liabilities not held at fair value on the balance sheet" below.

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Assets and liabilities at fair value, cont.

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

Categorisation into the fair value hierarchy

31 Dec 2014, EURm	Quoted prices in active markets for the same instrument (Level 1)	– of which Life	Valuation technique using observable data (Level 2)	– of which Life	Valuation technique using non-observable data (Level 3)	– of which Life	Total
Assets at fair value on the balance sheet¹							
Loans to central banks	—	—	282	—	—	—	282
Loans to credit institutions	—	—	4,560	7	—	—	4,560
Loans to the public	—	—	101,223	—	—	—	101,223
Interest-bearing securities ²	54,724	12,805	41,598	6,936	279	53	96,601
Shares ³	32,724	22,739	1,597	1,596	5,458	4,486	39,779
Derivatives	102	—	103,551	119	1,466	—	105,119
Investment properties	—	—	—	—	3,227	3,127	3,227
Other assets	—	—	11,176	—	—	—	11,176
Prepaid expenses and accrued income	—	—	4	—	—	—	4
Total	87,550	35,544	263,991	8,658	10,430	7,666	361,971
Liabilities at fair value on the balance sheet¹							
Deposits by credit institutions	—	—	27,026	1,541	—	—	27,026
Deposits and borrowings from the public	—	—	32,920	—	—	—	32,920
Liabilities to policyholders	—	—	16,741	16,741	—	—	16,741
Debt securities in issue	42,619	—	8,001	—	—	—	50,620
Derivatives	91	—	95,623	56	1,626	—	97,340
Other liabilities	4,667	—	12,297	—	—	—	16,964
Accrued expenses and prepaid income	—	—	9	—	—	—	9
Total	47,377	—	192,617	18,338	1,626	—	241,620

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

2) Of which EUR 12,121m relates to the balance sheet item Financial instruments pledged as collateral.

3) Of which EUR 30m relates to the balance sheet item Financial instruments pledged as collateral.

31 Dec 2013, EURm	Quoted prices in active markets for the same instrument (Level 1)	– of which Life	Valuation technique using observable data (Level 2)	– of which Life	Valuation technique using non-observable data (Level 3)	– of which Life	Total
Assets at fair value on the balance sheet¹							
Loans to central banks	—	—	755	—	—	—	755
Loans to credit institutions	—	—	6,462	—	—	—	6,462
Loans to the public	—	—	92,425	—	—	—	92,425
Interest-bearing securities ²	59,276	11,641	31,745	6,882	478	104	91,499
Shares ³	28,004	18,995	1,457	1,454	3,841	2,842	33,302
Derivatives	195	128	69,361	26	1,436	—	70,992
Investment properties	—	—	—	—	3,524	3,367	3,524
Other assets	—	—	6,122	—	—	—	6,122
Prepaid expenses and accrued income	—	—	20	—	—	—	20
Total	87,475	30,764	208,347	8,362	9,279	6,313	305,101
Liabilities at fair value on the balance sheet¹							
Deposits by credit institutions	—	—	25,807	1,168	—	—	25,807
Deposits and borrowings from the public	—	—	32,547	—	—	—	32,547
Liabilities to policyholders	—	—	13,737	13,737	—	—	13,737
Debt securities in issue	35,121	—	6,955	—	—	—	42,076
Derivatives	35	—	64,490	—	1,399	—	65,924
Other liabilities	8,939	—	7,923	—	1	—	16,863
Accrued expenses and prepaid income	—	—	456	—	—	—	456
Total	44,095	—	151,915	14,905	1,400	—	197,410

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

2) Of which EUR 9,544m relates to the balance sheet item Financial instruments pledged as collateral.

3) Of which EUR 31m relates to the balance sheet item Financial instruments pledged as collateral.

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

Fair value measurements of assets and liabilities carried at fair value have been categorised under the three levels of the IFRS fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 in the fair value hierarchy consists of assets and liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an on-going basis. This category includes listed derivatives, listed equities, government bonds in developed countries, and most liquid mortgage bonds and corporate bonds where direct tradable price quotes exist.

Level 2 in the fair value hierarchy consists of assets and liabilities that do not have directly quoted market prices available from active markets. The fair values are estimated using valuation techniques or valuation models based on market prices or rates prevailing at the balance sheet date and any unobservable inputs have had an insignificant impact on the fair values. This is the case for the majority of Nordea's OTC derivatives, securities purchased/sold under resale/repurchase agreements, securities borrowed/lent and other instruments where active markets supply the input to the valuation techniques or models.

Level 3 in the fair value hierarchy consists of those types of assets and liabilities which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates. This is generally the case for investments in unlisted securities, private equity funds, hedge funds and investment properties. This is generally also the case for more complex OTC derivatives, including OTC derivatives where less active markets supply input to the valuation techniques or models, certain complex or structured financial instruments such as CLNs and CDOs, and illiquid interest bearing securities. Complex valuation models are generally characterised by the use of unobservable and model specific parameters.

All valuation models, both complex and simple models, make use of market parameters. These parameters comprise interest rates, volatilities, correlations etc. Some of these parameters are observable while others are not. For non-exotic currencies the interest rates are all observable, and the volatilities and the correlations of the interest rates and FX rates are observable up to a certain maturity. Volatilities and correlations are also observable for the most liquid equity instruments in the short end. For less liquid equity instruments the option market is fairly illiquid, and hence the volatilities and correlations are unobservable. For each instrument the sensitivity towards unobservable parameters is measured. If the impact from unobservable parameters on the valuation is significant the instrument is categorised as Level 3 in the fair value hierarchy.

For interest-bearing securities the categorisation into the three levels are based on the internal pricing methodology. These instruments can either be directly quoted in active markets (Level 1) or measured using a methodology giving a quote based on observable inputs (Level 2). Level 3 bonds are characterised by illiquidity.

For OTC derivatives valuation models are used for establishing fair value. For collateralised contracts OIS interest rates are used for discounting. These rates are observable in the market. The valuation is in addition based on several other market parameters, depending on the nature of the contract. Complex valuation models are used for more exotic OTC derivatives. The models are usually in-house developed, and based on assumptions about the behaviour of the underlying asset and statistical scenario analysis. As mentioned above OTC derivatives are generally categorised as Level 2 in the fair value hierarchy and all significant model parameters are thus observable in active markets. For vanilla derivatives standard models like e.g. Black-Scholes are used for valuation.

Valuations of Private Equity Funds (PEF) and unlisted equity instruments are by nature more uncertain than valuations of more actively traded equity instruments. Emphasis is put on using a consistent approach across all assets and over time. The methods used are consistent with the guideline "International Private Equity and Venture Capital Valuation Guidelines" issued by EVCA (European Venture Capital Association). The EVCA guidelines are considered as best practice in the PEF industry. For US based funds, similar methods are applied.

Nordea furthermore holds loans and issued debt securities in the subsidiary Nordea Kredit Realkreditaktieselskab at fair value. When Nordea grants mortgage loans to borrowers, in accordance with the Danish mortgage finance law, Nordea at the same time issues debt securities with matching terms, so called "match funding". Fair value of the issued debt securities is based on quoted prices and thus categorised as Level 1 in the fair value hierarchy. As the borrowers have the right to purchase debt securities issued by Nordea in the market and return these as repayment for their loans, the fair value of the loans is the same as the fair value of the issued bonds (due to the revaluation of the repayment option embedded in the loan) adjusted for changes in the credit risk of the borrower. The credit risk adjustment is calculated based on an incurred loss model.

Fair value of financial assets and liabilities are generally calculated as the theoretical net present value of the individual instruments, based on independently sourced market parameters as described above, and assuming no risks and uncertainties. This calculation is supplemented by a portfolio adjustment.

An important part of the portfolio adjustment relates to counterparty risk in OTC-derivatives. The adjustment is based on the current exposure towards each counterparty, the estimated potential future exposure as well as an estimate of the cost of hedging the counterparty risk. This cost of hedging is either based directly on market prices (where available) or on a theoretical calculation based on the internal credit rating of the counterparty. Nordea also takes into account Nordea's credit spread in the valuation of derivatives (DVA).

Another important part of the portfolio adjustment serves to adjust the net open market risk exposures from mid-prices to ask or bid prices (depending on the net position). For different risk categories, exposures are aggregated and netted according to internal guidelines and aggregated market price information on bid-ask spreads are applied in the calculation. Spreads are updated on a regular basis.

The fair value measurement of the investment properties takes into account a market participant's ability to generate economic benefits by using the investment properties in its highest and best use, i.e. taking into account the use of the

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Assets and liabilities at fair value, cont.

investment properties that is physically possible, legally permissible and financially feasible. The current use of the investment properties in Nordea is in accordance with the highest and best use. The valuation of the investment properties is carried out taking into account the purpose and the nature of the property by using the most appropriate valuation methods. The primary valuation approach is a discounted cash flow model using current cash flows, market interest rates and the current yield requirements.

Transfers between Level 1 and 2

During the year, Nordea transferred interest-bearing securities (including such financial instruments pledged as collateral) of

EUR 149m (EUR 2,893m) from Level 1 to Level 2 and EUR 1,290m (EUR 1,092m) from Level 2 to Level 1 of the fair value hierarchy. Nordea also transferred other liabilities of EUR 55m from Level 2 to Level 1. During 2013 Nordea transferred shares of EUR 966m and other liabilities of EUR 1,054m from Level 1 to Level 2. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the year and fair values have now been obtained using valuation techniques with observable market inputs. The reason for the transfer from Level 2 to Level 1 was that the instruments have been actively traded during the year and reliable quoted prices are obtained in the market. Transfers between levels are considered to have occurred at the end of the year.

Movements in Level 3

2014, EURm	1 Jan 2014	Fair value gains/losses recognised in the income statement during the year		Recognised in OCI	Purchases/ Issues	Sales	Settle- ments	Transfers out of level 3	Transla- tion differ- ences	31 Dec 2014
		Realised	Unrealised							
Interest-bearing securities	478	8	10	-2	163	-373	-3	—	-2	279
– of which Life	104	5	5	—	19	-78	—	—	-2	53
Shares	3,841	388	313	—	2,417	-1,441	-22	-22	-16	5,458
– of which Life	2,842	324	238	—	2,332	-1,196	-15	-22	-17	4,486
Derivatives (net)	37	-488	-197	—	—	—	488	—	—	-160
Investment properties	3,524	-1	-3	—	267	-462	—	-33	-65	3,227
– of which Life	3,367	7	-3	—	241	-390	—	-33	-62	3,127
Other liabilities	1	—	—	—	—	-1	—	—	—	—

Unrealised gains and losses relate to those assets and liabilities held at the end of the year. During the year Nordea transferred shares of EUR 22m from Level 3 to Level 2. The reason for the transfer from Level 3 to Level 2 was that observable market data became available. Transfers between levels are

considered to have occurred at the end of the year. Fair value gains and losses in the income statement during the year are included in "Net result from items at fair value" (see Note G5). Assets and liabilities related to derivatives are presented net.

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Assets and liabilities at fair value, cont.

Movements in Level 3, cont.

2013, EURm	1 Jan 2013	Reclas- sifica- tion	Fair value gains/losses recognised in the income statement during the year		Purchases/ Issues	Sales	Settle- ments	Transfers into level 3	Transfers out of level 3	Translation differences	31 Dec 2013
			Realised	Unrealised							
Interest-bearing securities	1,118	-498	-10	65	105	-277	-12	—	—	-13	478
– of which Life	719	-498	-14	-2	10	-97	-1	—	—	-13	104
Shares	3,374	498	299	62	967	-1,125	-72	2	-137	-27	3,841
– of which Life	2,210	498	251	52	808	-752	-69	2	-137	-21	2,842
Derivatives (net)	332	—	287	-300	—	—	-287	5	—	0	37
Investment properties	3,408	—	1	-41	502	-223	—	—	—	-123	3,524
– of which Life	3,261	—	1	-41	445	-179	—	—	—	-120	3,367
Other liabilities	—	—	-20	0	608	—	-608	21	—	—	1

Unrealised gains and losses relate to those assets and liabilities held at the end of the year. During the year Nordea transferred shares of EUR 137m from Level 3 to Level 2 and EUR 2m from Level 2 to Level 3. Nordea also transferred other liabilities of EUR 21m from Level 2 to Level 3. The reason for the transfer from Level 3 to Level 2 was that observable market data became available. The reason for the transfer from Level 2 to Level 3 was that observable market data was no longer available. Transfers between levels are considered to have occurred at the end of the year. Fair value gains and losses in the income statement during the year are included in “Net result from items at fair value” (see Note G5). Assets and liabilities related to derivatives are presented net.

The valuation processes for fair value measurements in Level 3

Financial instruments

Valuation principles in Nordea are determined in and approved by the Group Valuation Committee (GVC). GVC issues guiding policies to the business units on how to establish a robust valuation process and minimise the valuation uncertainty. The GVC also serves as escalation point.

The valuation process in Nordea consists of several steps. The first step is the initial end of day (EOD) marking of mid-prices. The mid-prices are either fixed by front office or received from external sources. The second step is the control part, which is performed by independent control units. The cornerstone in the control is the independent price verification (IPV). The IPV test comprises verification of the correctness of prices and other parameters used in the net present value (NPV) calculation, the adequacy of the valuation models, including an assessment of whether to use quoted prices or valuation models, and the reliability of the assumptions and parameters used in the valuation adjustments at portfolio level covering mainly liquidity (bid/offer spread) and credit risk adjustments.

The verification of the correctness of prices and other parameters is carried out daily. Third-party information, such as broker quotes and pricing services, is used as benchmark data in the verification. The quality of the benchmark data is assessed on a regular basis. This quality assessment is used in the measurement of the valuation uncertainty.

Valuation adjustment at portfolio level and the deferrals of day 1 P/L on Level 3 trades are calculated and reported on a

monthly basis. The actual assessment of instruments in the fair value hierarchy is performed on a continuous basis.

Investment properties

The main part of the investment properties in Nordea is held by Nordea Life and Pension (NLP). The valuation of the investment properties in NLP is performed quarterly by the real estate departments in each entity within NLP with full or partial assistance from external valuers. For the departments that use their own methodologies the changes in price levels of the properties are compared with valuations of similar properties assessed by external valuers. The result of the valuation is presented to, and approved by, the local management in each entity. The CFO in each entity within NLP is responsible for the approval of the concepts and for the values used. The principles used in all entities are in accordance with regulations provided by the local Financial Supervisory Authorities (FSA) which are in accordance with international valuation principles and in accordance with IFRS.

In addition there is an Investment Operation Committee (IOC) which is a joint forum focusing on valuation and accounting of investment operations issues within NLP. The entities within NLP report regularly to IOC and IOC report quarterly to the Nordea Group Valuation Committee.

Investment properties in NLP are backing the liabilities to policyholders in life insurance contracts, unit-linked contracts and investment contracts, which means that the impact on Nordea's income statement and on shareholders' equity depends on the financial buffers and the profit sharing agreements in the actual unit that owns the property.

G40

Assets and liabilities at fair value, cont.

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

31 Dec 2014, EURm	Fair value	Of which Life ¹	Valuation techniques	Unobservable input	Range of fair value
Interest-bearing securities					
Mortgage and other credit institutions ²	235	9	Discounted cash flows	Credit spread	-8/8
Corporates	44	44	Discounted cash flows	Credit spread	-3/3
Total	279	53			-11/11
Shares					
Private equity funds	2,328	1,820	Net asset value ³		
Hedge funds	443	181	Net asset value ³		
Credit Funds	487	377	Net asset value/market consensus ³		
Other funds	1,970	1,950	Net asset value/Fund prices ³		
Other	230	158	—		
Total	5,458	4,486			-542/575
Derivatives					
Interest rate derivatives	191	—	Option model	Correlations Volatilities	-13/9
Equity derivatives	-220	—	Option model	Correlations Volatilities Dividend	-18/12
Foreign exchange derivatives	-31	—	Option model	Correlations Volatilities	+/-0
Credit derivatives	-129	—	Credit derivat model	Correlations Recovery rates	-10/9
Other	29	—	Option model	Correlations Volatilities	+/-0
Total	-160	—			-41/30

1) Investment in financial instruments is a major part of the life insurance business, acquired to fulfill the obligations behind the insurance- and investment 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 assets 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 the EVCA (European Venture Capital Association). Less than 15% of the private equity fund investment are internally adjusted/valued based the IPEV guidelines. These carrying amounts are in a range of 0% to 95% compared to the values received from suppliers/custodians.

The table above shows, for each class of assets and liabilities categorised in Level 3, the fair value, the valuation techniques used to estimate the fair value, significant unobservable inputs used in the valuation techniques and for financial assets and liabilities the fair value sensitivity to changes in key assumptions.

The column "range of fair value" in the tables above shows the sensitivity of the fair values of Level 3 financial instruments to changes in key assumptions. Where the exposure to an unobservable parameter is offset across different instruments then only the net impact is disclosed in the table. The ranges disclosed are likely to be greater than the true uncertainty in fair value of these instruments, as it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

In order to calculate the sensitivity (range) in fair value of derivatives a range of different modelling approaches are applied to determine an uncertainty interval around the

reported fair value. The different approaches applied target various aspects of derivatives pricing. Two common components of derivative valuation models are volatility of underlying risk factors and correlation between the relevant risk factors. Each of these is addressed by applying different assumptions to input and/or the choice of modelling approach. Besides these common factors a number of asset class specific factors are addressed. These include equity dividend expectations, recovery assumptions for credit derivatives and inflation expectations. The fair values of derivatives are presented as the net of assets and liabilities.

In order to calculate the sensitivity (range) in fair value of shares and interest-bearing securities the fair value was increased and decreased within a total range of 2–10 percentage units depending of the valuation uncertainty and underlying assumptions. Higher ranges are applied to instruments with more uncertain valuations relative to actively traded instruments and underlying uncertainties in individual assumptions.

G40

Assets and liabilities at fair value, cont.

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

31 Dec 2013, EURm	Fair value	Of which Life ¹	Valuation techniques	Unobservable input	Range of fair value
Interest-bearing securities					
Municipalities and other public bodies	29	29	Discounted cash flows	Credit spread	+/-0
Mortgage and other credit institutions ²	359	8	Discounted cash flows	Credit spread	-20/20
Corporates	82	67	Discounted cash flows	Credit spread	-4/4
Other	8	—	—	—	-1/1
Total	478	104			-25/25
Shares					
Private equity funds	2,298	1,770	Net asset value ³		
Hedge funds	458	178	Net asset value ³		
Credit Funds	460	362	Net asset value/market consensus ³		
Other funds	431	403	Net asset value/Fund prices ³		
Other	194	129	—		
Total	3,841	2,842			-381/381
Derivatives					
Interest rate derivatives	141	—	Option model	Correlations Volatilities	-7/5
Equity derivatives	-93	—	Option model	Correlations Volatilities Dividend	-17/11
Foreign exchange derivatives	103	—	Option model	Correlations Volatilities	+/-0
Credit derivatives	-129	—	Credit derivat model	Correlations Recovery rates	-7/9
Other	15	—	Option model	Correlations Volatilities	+/-0
Total	37	—			-31/25

1) Investment in financial instruments is a major part of the life insurance business, acquired to fulfill the obligations behind the insurance- and investment 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 assets 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 the EVCA (European Venture Capital Association). Less than 15% of the private equity fund investment are internally adjusted/valued based the IPEV guidelines. These carrying amounts are in a range of 0% to 100% compared to the values received from suppliers/custodians.

G40
Assets and liabilities at fair value, cont.

31 Dec 2014, EURm	Fair value ¹	Of which Life	Valuation techniques	Unobservable input	Range of unobservable input	Weighted average of unobservable input
Investment properties						
Denmark	1,656	1,645	Discounted cash flows	Market rent	26–377 EUR/m ² /year	110 EUR/m ² /year
				Yield requirement		
				Commercial	6.1%–9.0%	7.5%
				Office	4.6%–9.5%	6.0%
				Apartment	3.5%–6.0%	5.0%
Norway	774	767	Discounted cash flows	Market rent	25–1,166 EUR/m ² /year	216 EUR/m ² /year
				Yield requirement		
				Commercial	5.3%–8.5%	5.9%
				Office	5.0%–8.8%	6.3%
				Apartment	5.5%–5.5%	5.5%
				Other	7.3%–8.5%	7.8%
Finland	642	640	Discounted cash flows ²	Market rent	89–327 EUR/m ² /year	170 EUR/m ² /year
				Yield requirement		
				Commercial	5.0%–7.0%	6.0%
				Office	5.0%–8.0%	6.5%
				Apartment	4.5%–6.0%	5.3%
				Other	6.5%–9.0%	7.8%
Sweden	75	75	Discounted cash flows ²	Market rent	64–191 EUR/m ² /year	126 EUR/m ² /year
				Yield requirement		
				Commercial	6.3%–7.0%	6.7%
				Apartment	4.0%–4.5%	4.1%
				Other	7.0%–7.0%	7.0%
Other	80	—	Discounted cash flows	—	—	—
Total	3,227	3,127				

1) Split based on the valuation methodologies used in different countries.

2) The fair value is calculated by external valuers.

G40

Assets and liabilities at fair value, cont.

31 Dec 2013, EURm	Fair value ¹	Of which Life	Valuation techniques	Unobservable input	Range of unobservable input	Weighted average of unobservable input
Investment properties						
Denmark	1,752	1,735	Discounted cash flows	Market rent	54–350 EUR/m ² /year	107 EUR/m ² /year
				Yield requirement		
				Commercial	6.0%–9.0%	7.6%
				Office	4.6%–9.5%	6.1%
				Apartment	3.5%–6.3%	5.8%
Norway	899	875	Discounted cash flows	Market rent	85–850 EUR/m ² /year	203 EUR/m ² /year
				Yield requirement		
				Commercial	5.3%–8.5%	6.4%
				Office	5.7%–8.5%	6.5%
				Apartment	5.8%–6.5%	6.1%
				Other	6.0%–8.0%	7.3%
Finland	793	681	Discounted cash flows ²	Market rent	88–324 EUR/m ² /year	148 EUR/m ² /year
				Yield requirement		
				Commercial	5.0%–7.0%	6.0%
				Office	5.0%–8.0%	6.5%
				Apartment	4.5%–6.0%	5.3%
				Other	6.5%–9.0%	7.8%
Sweden	76	76	Discounted cash flows ²	Market rent	—	—
				Yield requirement		
				Commercial	6.8%–7.0%	6.8%
				Apartment	4.3%–4.3%	4.3%
				Other	5.0%–8.3%	6.5%
Other	4	—	Discounted cash flows	—	—	—
Total	3,524	3,367				

1) Split based on the valuation methodologies used in different countries.

2) The fair value is calculated by external valuers.

Movements in 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, Note G1 "Accounting policies". The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the year (movements in deferred Day 1 profit).

Deferred day 1 profit – derivatives EURm	31 Dec 2014	31 Dec 2013
Amount at beginning of year	38	24
Deferred profit/loss on new transactions	9	26
Recognised in the income statement during the year	-11	-12
Amount at end of year	36	38

G40

Assets and liabilities at fair value, cont.

Financial assets and liabilities not held at fair value on the balance sheet

EURm	31 Dec 2014		31 Dec 2013		Level in fair value hierarchy
	Carrying amount	Fair value	Carrying amount	Fair value	
Assets not held at fair value on the balance sheet					
Cash and balances with central banks	31,067	31,067	33,529	33,529	3
Loans	261,451	259,547	265,524	265,524	3
Interest-bearing securities	2,630	2,941	5,359	5,484	1, 2
Other assets	4,590	4,590	4,057	4,057	3
Prepaid expenses and accrued income	1,123	1,123	1,886	1,886	3
Total	300,861	299,268	310,355	310,480	
Liabilities not held at fair value on the balance sheet					
Deposits and debt instruments	348,644	350,087	353,284	354,938	3
Other liabilities	6,377	6,377	5,747	5,747	3
Accrued expenses and prepaid income	345	345	1,890	1,890	3
Total	355,366	356,809	360,921	362,575	

Cash and balances with central banks

The fair value of "Cash and balances with central banks" is, due to its short term nature, assumed to equal the carrying amount and is thus categorised into Level 3 in the fair value hierarchy.

Loans

The fair value of "Loans to central banks", "Loans to credit institutions" and "Loans to the public" have 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 Retail Banking and Wholesale Banking respectively.

The fair value adjustment on amortised cost loans calculated for disclosure purposes is negative by EUR 1,904m. The fair value adjustment calculated for disclosure purposes on all loans on the balance sheet (see page 137), including loans held at fair value mainly in the Danish group undertaking Nordea Kredit Realkreditaktieselskab (designated at fair value through profit or loss), is positive by EUR 1,356m. The disclosed fair value on loans designated at fair value through profit or loss differs from the carrying amount as the fair value disclosure disregards prepayment options in the lending in Nordea Kredit Realkreditaktieselskab. The correct carrying amount on the balance sheet includes also the fair value adjustment of the prepayment options embedded in the loans.

For the comparative figures 2013 the fair value has been calculated as the carrying amount adjusted for fair value changes in interest rate risk. The fair value changes related to interest rate risk is based on changes in relevant interest rates compared with corresponding nominal interest rates in the portfolios. No adjustment has been made for changes in fair value of credit risk in the comparative figures.

The fair value measurement is categorised into Level 3 in the fair value hierarchy.

Interest bearing-securities

The fair value is EUR 2,941m (EUR 5,484m), of which EUR 27m (EUR 234m) is categorised in Level 1 and EUR 2,914m (EUR 5,250m) in Level 2. The measurement principles follow those for similar instruments that are held at fair value on the balance sheet.

Other assets and prepaid expenses and accrued income

The balance sheet items "Other assets" and "Prepaid expenses and accrued income" consist of short receivables, mainly accrued interest receivables. The fair value is therefore considered to equal the carrying amount and is categorised into Level 3 in the fair value hierarchy.

Deposits and debt instruments

The fair value of "Deposits by credit institutions", "Deposits and borrowings from the public", "Debt securities in issue" and "Subordinated liabilities" has been calculated as the carrying amount adjusted for fair value changes in interest rate risk and in own credit risk. The fair value is categorised into Level 3 in the fair value hierarchy. The fair value changes related to interest rate risk is based on changes in relevant interest rates compared with corresponding nominal interest rate in the portfolios. The fair value changes in the credit risk is calculated as the difference between the credit spread in the nominal interest rate compared with the current spread that is observed in the market. This calculation is performed on an aggregated level for all long term issuances recognised in the balance sheet items "Debt securities in issue" and "Subordinated liabilities". As the contractual maturity is short for "Deposits by credit institutions" and "Deposits and borrowing from the public" the changes in Nordea's own credit risk related to these items is assumed not to be significant. This is also the case for short term issuances recognised in the balance sheet items "Debt securities in issue" and "Subordinated liabilities".

Other liabilities and accrued expenses and prepaid income

The balance sheet items "Other liabilities" and "Accrued expenses and prepaid income" consist of short-term liabilities, mainly liabilities on securities settlement. The fair value is therefore considered to be equal to the carrying amount and is categorised into Level 3 in the fair value hierarchy.

G41

Financial instruments set off on balance or subject to netting agreements

31 Dec 2014, EURm	Gross recognised financial assets ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
Assets							
Derivatives	245,959	-141,572	104,387	-79,016	—	-11,994	13,377
Reverse repurchase agreements	49,352	—	49,352	-19,299	-29,605	—	448
Securities borrowing agreements	5,272	—	5,272	—	-5,272	—	0
Total	300,583	-141,572	159,011	-98,315	-34,877	-11,994	13,825

31 Dec 2014, EURm	Gross recognised financial liabilities ¹	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
Liabilities							
Derivatives	237,562	-141,572	95,990	-79,016	—	-10,360	6,614
Repurchase agreements	44,488	—	44,488	-19,299	-23,559	—	1,630
Securities lending agreements	2,778	—	2,778	—	-2,778	—	0
Total	284,828	-141,572	143,256	-98,315	-26,337	-10,360	8,244

1) All amounts are measured at fair value.

2) Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as Loans to central banks, Loans to credit institutions or Loans to the public. Repurchase agreements and Securities lending agreements are on the balance sheet classified as Deposits by credit institution or as Deposits and borrowings from the public.

31 Dec 2013, EURm	Gross recognised financial assets ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
Assets							
Derivatives	128,855	-58,132	70,723	-56,104	-1	-5,739	8,879
Reverse repurchase agreements	45,704	—	45,704	-24,267	-21,053	—	384
Securities borrowing agreements	4,397	—	4,397	—	-4,397	—	0
Total	178,956	-58,132	120,824	-80,371	-25,451	-5,739	9,263

31 Dec 2013, EURm	Gross recognised financial liabilities ¹	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
Liabilities							
Derivatives	122,388	-58,132	64,256	-56,104	—	-4,586	3,566
Repurchase agreements	49,744	—	49,744	-24,267	-21,821	—	3,656
Securities lending agreements	3,063	—	3,063	—	-3,063	—	0
Total	175,195	-58,132	117,063	-80,371	-24,884	-4,586	7,222

1) All amounts are measured at fair value.

2) Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as Loans to central banks, Loans to credit institutions or Loans to the public. Repurchase agreements and Securities lending agreements are on the balance sheet classified as Deposits by credit institution or as Deposits and borrowings from the public.

Enforceable master netting arrangements and similar agreements

The fact that financial instruments are being accounted for on a gross basis on the balance sheet, would not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally financial instruments (derivatives, repos and securities lending transactions),

would be subject to master netting agreements, and as a consequence Nordea would be allowed to benefit from netting in the case of default by its counter parties, in any calculations involving counterparty credit risk.

For a description of counterparty risk see section Risk, Liquidity and Capital management, in the Board of Directors' report.

G42

Discontinued operations and disposal groups held for sale

EURm	2014	2013
Net interest income	28	154
Net fee and commission income	0	38
Other operating income	21	7
Total operating income	49	199
Total operating expenses	-53	-118
Net loan losses	-5	-26
Operating profit	-9	55
Income tax expense	-1	-13
Net profit for the period from discontinued operations	-10	42
Net result for the period recognised on the measurement at fair value	-19	1
Transaction and transition cost (including cost to sell) ¹	-10	-34
Net profit for the period from discontinued operations after measurement at fair value less cost to sell	-39	9

1) 2013: Income tax of EUR 9m deducted.

The impact from discontinued operations on other comprehensive income and cash flows can be found in the statement of comprehensive income and the cash flow statement for the Group. The EPS for discontinued operations can be found in Note G12.

Discontinued operations and assets/liabilities held for sale relate to Nordea's divestment of its Polish banking, financing and life insurance operations, including Nordea Bank Polska S.A., Nordea Finance Polska S.A. and Nordea Polska Towar-

Balance sheet – Condensed¹

EURm	31 Dec 2014	31 Dec 2013
Assets		
Loans to the public	—	6,144
Interest-bearing securities	—	1,534
Shares	—	385
Total other assets	—	832
Total assets held for sale	—	8,895
Liabilities		
Deposits by credit institutions	—	78
Deposits and borrowings from the public	—	3,384
Liabilities to policyholders	—	625
Total other liabilities	—	111
Total liabilities held for sale	—	4,198

1) Includes the external assets and liabilities held for sale. The external funding of the Polish operations that will remain subsequent to the transaction is not included.

zystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski. All regulatory approvals were received and the transaction closed during 2014. The operations have consequently been derecognised. The disposal group is excluded from Note 2 "Segment reporting" as this is not part of the reporting to the Chief Operating Decision Maker (CODM). The majority of the business was previously reported in the Retail Banking Poland segment. The impact from discontinued operations on other comprehensive income can be found in the statement of comprehensive income.

G43 Transferred assets and obtained collaterals

Transferred assets that are not derecognised in their entirety and associated liabilities

All assets transferred continue to be recognised on the balance sheet if Nordea is still exposed to changes in the fair value of the assets. This is the case for repurchase agreements and securities lending transactions.

Repurchase agreements are a form of collateralised borrowing where Nordea sells securities with an agreement to repurchase them at a later date at a fixed price. The cash received is recognised as a deposit (liability). Securities delivered under repurchase agreements are not derecognised from the balance sheet.

Securities lending transactions are transactions where Nordea lends securities it holds to a counterpart and receives a fee.

As both repurchase agreements and securities lending transactions result in that securities are returned to Nordea, all risks and rewards of the instruments transferred are retained by Nordea, although they are not available for Nordea during the period during which they are transferred. The counterparts in the transactions hold the securities as collateral, but have no recourse to other assets in Nordea.

The securities still reported on the balance sheet and the corresponding liabilities are measured at fair value.

EURm	31 Dec 2014	31 Dec 2013
Repurchase agreements		
Interest-bearing securities	12,121	9,544
Securities lending agreements		
Shares	30	31
Total	12,151	9,575

Liabilities associated with the assets

EURm	31 Dec 2014	31 Dec 2013
Repurchase agreements		
Deposits by credit institutions	7,291	3,154
Deposits and borrowings from the public	4,659	6,654
Securities lending agreements		
Deposits by credit institutions	31	84
Total	11,981	9,892
Net	170	-317

Obtained collaterals which are permitted to be sold or repledged

Nordea obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements are disclosed below.

EURm	31 Dec 2014	31 Dec 2013
Reverse repurchase agreements		
Received collaterals which can be repledged or sold	47,165	44,908
– of which repledged or sold	36,676	38,503
Securities borrowing agreements		
Received collaterals which can be repledged or sold	5,469	3,341
– of which repledged or sold	2,969	3,341
Total	52,634	48,249

G44 Investments, customer bearing the risk

The Life Group and Nordea Bank Danmark A/S have assets and liabilities included on their balance sheet where customers are bearing the risk. Since the assets and liabilities legally belong to the entities, these assets and liabilities are included on the Group's balance sheet.

EURm	31 Dec 2014	31 Dec 2013
Assets		
Interest-bearing securities	9,971	3,417
Shares	18,294	19,994
Other assets	860	1,501
Total assets	29,125	24,912
Liabilities		
Deposits and borrowings from the public	4,287	4,302
Insurance contracts	11,025	9,508
Investment contracts	13,813	11,102
Total liabilities	29,125	24,912

G45
Maturity analysis for assets and liabilities
Expected maturity

EURm	31 Dec 2014			31 Dec 2013			
	Note	Expected to be recovered or settled:			Expected to be recovered or settled:		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and balances with central banks		31,067	—	31,067	33,529	—	33,529
Loans to central banks	G13	6,958	—	6,958	11,769	—	11,769
Loans to credit institutions	G13	10,608	1,609	12,217	9,782	961	10,743
Loans to the public	G13	119,462	228,623	348,085	147,611	194,840	342,451
Interest-bearing securities	G14	20,095	67,015	87,110	18,736	68,578	87,314
Financial instruments pledged as collateral	G15	3,603	8,548	12,151	6,905	2,670	9,575
Shares	G16	10,823	28,926	39,749	10,162	23,109	33,271
Derivatives	G17	14,966	90,153	105,119	7,854	63,138	70,992
Fair value changes of the hedged items in portfolio hedge of interest rate risk	G18	13	243	256	17	186	203
Investments in associated undertakings	G19	2	485	487	—	630	630
Intangible assets	G20	78	2,830	2,908	—	3,246	3,246
Properties and equipment		13	496	509	11	420	431
Investment properties	G22	12	3,215	3,227	74	3,450	3,524
Deferred tax assets	G11	57	73	130	35	27	62
Current tax assets		132	—	132	31	—	31
Retirement benefit assets	G32	0	42	42	1	320	321
Other assets	G23	17,553	28	17,581	11,046	18	11,064
Prepaid expenses and accrued income	G24	1,198	416	1,614	1,862	521	2,383
Assets held for sale	G42	—	—	—	8,895	—	8,895
Total assets		236,640	432,702	669,342	268,320	362,114	630,434
Deposits by credit institutions	G25	53,226	3,096	56,322	57,023	2,067	59,090
Deposits and borrowings from the public	G26	190,044	7,210	197,254	192,107	8,636	200,743
Liabilities to policyholders	G27	4,073	47,770	51,843	4,032	43,194	47,226
Debt securities in issue	G28	77,152	117,122	194,274	77,165	108,437	185,602
Derivatives	G17	13,557	83,783	97,340	8,457	57,467	65,924
Fair value changes of the hedged items in portfolio hedge of interest rate risk	G18	351	3,067	3,418	117	1,617	1,734
Current tax liabilities		341	27	368	276	27	303
Other liabilities	G29	26,828	145	26,973	24,697	40	24,737
Accrued expenses and prepaid income	G30	1,909	34	1,943	3,616	61	3,677
Deferred tax liabilities	G11	145	838	983	134	801	935
Provisions	G31	215	90	305	60	117	177
Retirement benefit liabilities	G32	11	529	540	6	328	334
Subordinated liabilities	G33	—	7,942	7,942	360	6,185	6,545
Liabilities held for sale	G42	—	—	—	4,198	—	4,198
Total liabilities		367,852	271,653	639,505	372,248	228,977	601,225

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Maturity analysis for assets and liabilities, cont.

Contractual undiscounted cash flows

31 Dec 2014, EURm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
Interest-bearing financial assets	21,618	117,658	52,743	154,129	245,499	591,647
Non interest-bearing financial assets	—	—	—	—	162,746	162,746
Non-financial assets	—	—	—	—	9,737	9,737
Total assets	21,618	117,658	52,743	154,129	417,982	764,130
Interest-bearing financial liabilities	128,160	139,785	63,412	98,666	49,086	479,109
Non interest-bearing financial liabilities	—	—	—	—	141,184	141,184
Non-financial liabilities and equity	—	—	—	—	72,356	72,356
Total liabilities and equity	128,160	139,785	63,412	98,666	262,626	692,649
Derivatives, cash inflow	—	416,856	127,842	228,299	75,117	848,114
Derivatives, cash outflow	—	435,736	126,093	217,485	75,285	854,599
Net exposure	—	-18,880	1,749	10,814	-168	-6,485
Exposure	-106,542	-41,007	-8,920	66,277	155,188	64,996
Cumulative exposure	-106,542	-147,549	-156,469	-90,192	64,996	—
31 Dec 2013, EURm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
Interest-bearing financial assets	25,973	119,862	44,907	163,641	277,298	631,681
Non interest-bearing financial assets	—	—	—	—	117,167	117,167
Non-financial assets	—	—	—	—	9,607	9,607
Total assets	25,973	119,862	44,907	163,641	404,072	758,455
Interest-bearing financial liabilities	127,522	156,843	54,318	99,313	42,088	480,084
Non interest-bearing financial liabilities	—	—	—	—	107,086	107,086
Non-financial liabilities and equity	—	—	—	—	67,905	67,905
Total liabilities and equity	127,522	156,843	54,318	99,313	217,079	655,075
Derivatives, cash inflow	—	429,194	124,755	220,495	73,590	848,034
Derivatives, cash outflow	—	429,971	124,404	218,650	74,574	847,599
Net exposure	—	-777	351	1,845	-984	435
Exposure	-101,549	-37,758	-9,060	66,173	186,009	103,815
Cumulative exposure	-101,549	-139,307	-148,367	-82,194	103,815	—

The table is based on contractual maturities for the balance sheet items. For derivatives, the expected cash inflows and outflows are disclosed for both derivative assets and derivative liabilities, as derivatives are managed on a net basis. In addition to the instruments on the balance sheet items, Nordea has credit commitments amounting to EUR 74,291m

(EUR 78,332m), which could be drawn on at any time. Nordea has also issued guarantees of EUR 19,838m (EUR 18,969m) which may lead to future cash outflows if certain events occur.

For further information about remaining maturity, see also the section "Risk, Liquidity and Capital management".

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Related-party transactions

The information below is presented from a Nordea perspective, meaning that the information shows the effect from related party transactions on the Nordea figures.

EURm	Associated undertakings		Other related parties ¹	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Assets				
Loans	594	464	—	0
Interest-bearing securities	59	120	—	—
Derivatives	224	147	—	—
Investments in associated undertakings	487	630	—	—
Total assets	1,364	1,361	—	0
Liabilities				
Deposits	215	142	36	109
Debt securities in issue	0	11	—	—
Derivatives	154	34	—	—
Total liabilities	369	187	36	109
Off balance²	6,212	8,086	—	—

EURm	Associated undertakings		Other related parties ¹	
	2014	2013	2014	2013
Net interest income	9	9	—	0
Net fee and commission income	5	6	1	1
Net result from items at fair value	-90	18	—	—
Other operating income	—	0	—	—
Total operating expenses	—	0	—	—
Profit before loan losses	-76	33	1	1

1) Shareholders with significant influence and close family members to key management personnel in Nordea Group as well as companies significantly influenced by key management personnel or by close family members to key management personnel in Nordea Group are considered to be related parties to Nordea. Included in this group of related parties are Sampo Oyj and Aegon Asset Management. If transactions with related companies are made in Nordea's and the related companies' ordinary course of business and on the same criteria and terms as those for comparable transactions with companies of similar standing, and if they did not involve more than normal risktaking, the transactions are not included in the table.

2) Including nominal values on derivatives.

Compensation and loans to key management personnel

Compensation and loans to key management personnel are specified in Note G7.

Other related-party transactions

Starting in March 2008 Nordea takes part in a guarantee consortium to support Norwegian Eksportfinans ASA in relation to its securities portfolio. Nordea owns 23% of the company with other owners being the Norwegian state and other Nordic banks. Nordea's share of the negative fair value of the contract as of the balance sheet date amounts to approx. EUR 22m. The agreement's expiring date corresponds with the maturity dates of the bonds included in the guarantee. The latest maturity is on 31 December 2023.

In 2009 Nordea entered into one transaction with a company under significant influence by a member of key management personnel, which is disclosed separately in this note due to the transaction's significance for the related company. The related company has a credit limit of EUR 17m, of which EUR 4m was utilised as of 31 December 2014. The latest maturity is 31 December 2015, with the possibility of yearly prolongation after a new credit review. The transaction is made on the same criteria and terms as those for comparable transactions with companies of similar standing.

In addition, Nordea has issued an equity guarantee limited to SEK 610m in favor of a related party. The equity guarantee is time limited up to the sooner of the Annual General Meeting of the related party for calendar year 2015, and Nordea no longer holding an equity interest in the party.

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Credit risk disclosures

Credit risk management and credit risk analysis is described in the Risk, Liquidity and Capital management section of the Board of Directors' Report. Additional information on credit risk is also disclosed in the Capital and Risk management Report (Pillar III) 2014, which is available on www.nordea.com. Much of the information in this note is collected from the Pillar III report in order to fulfil the disclosure requirement regarding credit risk in the Annual report.

The Pillar III report contains the disclosures required by the Capital Requirements Regulation (CRR). The Pillar III disclosure is aligned to how Nordea manages credit risk and is believed to be the best way to explain the credit risk exposures in Nordea. Credit risk exposures occur in different forms and are divided into the following types:

Exposure types, EURm	31 Dec 2014	31 Dec 2013
On-balance sheet items	404,720	412,850
Off-balance sheet items	47,191	46,351
Securities financing	4,667	2,196
Derivatives	30,992	18,158
Exposure At Default (EAD)	487,570	479,555

Tables presented in this note, containing exposure, are presented as Exposure At Default (EAD). EAD is the exposure after applying credit conversion factors (CCF).

Link between credit risk exposure and the balance sheet

This section discloses the link between the loan portfolio as defined by accounting standards and exposure as defined in CRR. The main differences are outlined in this section to illustrate the link between the different reporting methods. Original exposure is the exposure before taking into account substitution effects stemming from credit risk mitigation, credit conversion factors (CCFs) for off-balance sheet exposure and allowances within the standardised approach. In this note, however, exposure is defined as exposure at default (EAD) for IRB exposure and exposure value for standardised exposure, unless otherwise stated. In accordance with the CRR, credit risk exposure presented in this note is divided between exposure classes where each exposure class is divided into exposure types as follows:

- On-balance sheet items
- Off-balance sheet items (e.g. guarantees and unutilised amounts of credit facilities).
- Securities financing (e.g. reversed repurchase agreements and securities lending).
- Derivatives

Items presented in other parts of the Annual Report, are divided as follows (in accordance with the accounting standards):

- On-balance sheet items (e.g. loans to central banks and credit institutions, loans to the public, reversed repurchase agreements, positive fair value for derivatives and interest-bearing securities).
- Off-balance sheet items (e.g. guarantees and unutilised lines of credit).

The table below shows the link between the CRR credit risk exposure and items presented in the Annual Report.

On-balance sheet items

The following items have been excluded from the balance sheet, when calculating on-balance exposure in accordance with the CRD:

- Market risk related items in the trading book, such as certain interest-bearing securities and pledged instruments.
- Repos, derivatives and securities lending. These transactions are either included in the calculation of market risk in the trading book or reported as separate exposure types (derivatives or securities financing).
- Life insurance operations, (due to solvency regulation).
- Other, mainly allowances and intangible assets.

Off-balance sheet items

The following off-balance sheet items specified in the Annual Report are excluded when off-balance exposure is calculated in accordance with the CRR:

- Life insurance operations (due to solvency regulation).
- "Assets pledged as security for own liabilities" and "Other assets pledged" (apart from leasing). These transactions are reported as securities financing (i.e. a separate exposure type).
- Derivatives

Derivatives and securities financing

The fair values of derivatives are recognised on the balance sheet, while nominal amounts on derivatives are reported off-balance in accordance with accounting standards. However, in the CRR, the derivatives and securities financing are reported as separate exposure types. Also, repurchase agreements and securities lending/borrowing transactions are on the balance sheet calculated based on nominal value. In the CRR calculations these exposure types are determined net of the collateral.

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Credit risk disclosures
On-balance sheet items

31 Dec 2014, EURm	Original exposure	Items related to market risk	Repos, derivatives, securities lending	Life insurance operations	Other	Balance sheet
Cash and balances with central banks	31,067	—	—	—	—	31,067
Loans to credit institutions and central banks	14,030	—	4,822	326	-3	19,175
Loans to the public	300,926	—	49,515	—	-2,356	348,085
Interest-bearing securities and pledged instruments	53,432	24,181	—	21,648	—	99,261
Derivatives ¹	—	—	104,999	120	—	105,119
Intangible assets	—	—	—	324	2,584	2,908
Other assets and prepaid expenses	6,301	25,144	91	32,896	-705	63,727
Total assets	405,756	49,325	159,427	55,314	-480	669,342
Exposure at default²	404,720					

1) Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives are included in the credit risk.

2) The on-balance exposure have a CCF of 100% but can still have a lower EAD due to provisions in the standardised approach, that are deducted from the original exposure when calculating EAD.

31 Dec 2013, EURm	Original exposure	Items related to market risk	Repos, derivatives, securities lending	Life insurance operations	Other	Balance sheet restate-ment ³	Balance sheet
Cash and balances with central banks	34,082	—	—	1	—	-554	33,529
Loans to credit institutions and central banks	15,421	—	6,605	546	17	-77	22,512
Loans to the public	307,207	4,388	39,159	—	-2,159	-6,144	342,451
Interest-bearing securities and pledged instruments	52,042	25,523	—	20,858	—	-1,534	96,889
Derivatives ¹	—	—	70,840	154	—	-2	70,992
Intangible assets	—	—	—	324	2,987	-65	3,246
Other assets and prepaid expenses	5,347	18,632	65	28,009	386	8,376	60,815
Total assets	414,099	48,543	116,669	49,892	1,231	0	630,434
Exposure at default²	412,850						

1) Derivatives are included in banking and trading books, but not at book values. Counterparty risk in trading derivatives are included in the credit risk.

2) The on-balance exposure have a CCF of 100% but can still have a lower EAD due to provisions in the standardised approach, that are deducted from the original exposure when calculating EAD.

3) Assets held for sale are disclosed separately in the balance sheet but are included line by line in original exposure.

Off-balance sheet items

31 Dec 2014, EURm	Credit risk in Basel II calculation	Life insurance operations	Included in derivatives and securities financing	Off-balance sheet
Contingent liabilities	21,985	32	—	22,017
Commitments	75,032	875	28	75,935
Total	97,017	907	28	97,952

31 Dec 2014, EURm	Credit risk in Basel II calculation	Items not included in accounts	Original exposure	Average conversion factor	Exposure at default EAD
Credit facilities	50,777	437	51,214	48%	24,626
Checking accounts	18,161	3,960	22,121	50%	11,065
Loan commitments	6,091	7,246	13,337	36%	4,858
Guarantees	20,760	1	20,761	31%	6,335
Other	1,228	32	1,260	24%	307
Total	97,017	11,676	108,693		47,191

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Credit risk disclosures

	Credit risk in Basel II calculation	Life insurance operations	Included in derivatives and securities financing	Off- balance sheet
31 Dec 2013, EURm				
Contingent liabilities	20,824	46	—	20,870
Commitments	79,012	547	40	79,599
Total	99,836	593	40	100,469

	Credit risk in Basel II calculation	Items not included in accounts	Original exposure	Average conversion factor	Exposure at default EAD
31 Dec 2013, EURm					
Credit facilities	51,607	68	51,675	47%	24,146
Checking accounts	18,975	4,400	23,375	23%	5,346
Loan commitments	8,294	7,129	15,423	31%	4,843
Guarantees	19,681	2	19,683	59%	11,669
Other	1,279	34	1,313	26%	347
Total	99,836	11,633	111,469		46,351

Exposure classes split by exposure type

As of year-end 2014, 80% of the total credit risk exposure was calculated using the IRB approach. The main part of the exposure is within the IRB corporate and IRB retail portfolios.

During 2014, total exposures increased primarily due to higher exposures in the retail and institutions portfolios. Derivative exposures, especially within the corporate portfolio, significantly increased during the year due to market movements.

	On-balance sheet items	Off-balance sheet items	Securities financing	Derivatives	Total exposure
31 Dec 2014, EURm					
Government, local authorities and central banks	67,781	1,502	932	5,338	75,553
Institutions	37,940	968	2,751	9,994	51,653
Corporate	126,683	31,251	751	15,078	173,763
Retail	163,051	13,263	—	141	176,455
Other	9,265	207	233	441	10,146
Total exposure	404,720	47,191	4,667	30,992	487,570

	On-balance sheet items	Off-balance sheet items	Securities financing	Derivatives	Total exposure
31 Dec 2013, EURm					
Government, local authorities and central banks	78,719	1,951	147	3,232	84,049
Institutions	34,694	1,255	1,218	5,667	42,834
Corporate	127,638	34,044	739	8,234	170,655
Retail	158,228	9,077	1	96	167,402
Other	13,571	24	91	929	14,615
Total exposure	412,850	46,351	2,196	18,158	479,555

Exposure split by geography and exposure classes

Nordea is geographically well diversified and as of end 2014, no market accounts for more than 26% of the total exposure. The exposure in Sweden and Finland represents 23% and 17% of the total exposure in the Group respectively, while Denmark accounts for 26% and Norway 14%. Exposures in the US constitute 7% of the total portfolio, whereas Russia's impact remains at 1% of the total exposures.

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31 Dec 2014, EURm	Nordic countries	– of which Denmark	– of which Finland	– of which Norway	– of which Sweden	Baltic countries	Russia	US	Other	Total
Government, local authorities and central banks	36,204	11,294	13,261	3,222	8,427	1,254	498	28,514	9,083	75,553
Institutions	33,668	16,557	2,853	4,693	9,565	179	404	1,406	15,996	51,653
Corporate	140,586	44,457	26,265	30,940	38,924	5,501	4,505	1,970	21,201	173,763
Retail	170,596	53,023	38,982	27,986	50,605	3,237	343	4	2,275	176,455
Other ¹	6,283	1,059	1,402	979	2,843	252	111	145	3,355	10,146
Total exposure	387,337	126,390	82,763	67,820	110,364	10,423	5,861	32,039	51,910	487,570

31 Dec 2013, EURm	Nordic countries	– of which Denmark	– of which Finland	– of which Norway	– of which Sweden	Baltic countries	Poland	Russia	Other	Total
Government, local authorities and central banks	55,891	15,252	19,862	6,161	14,616	729	1,118	207	26,104	84,049
Institutions	38,759	6,306	14,862	5,957	11,634	148	971	299	2,657	42,834
Corporate	148,606	37,447	37,839	33,619	39,701	5,568	1,903	4,324	10,254	170,655
Retail	166,080	52,002	36,040	28,719	49,319	963	211	64	84	167,402
Other ¹	7,272	1,438	2,830	765	2,239	2,384	4,005	464	490	14,615
Total exposure	416,608	112,445	111,433	75,221	117,509	9,792	8,208	5,358	39,589	479,555

1) Including exposures secured by real estate.

Exposure split by industry group

In the table below, the total exposure is split by industry. The industry breakdown mainly follows the Global Industries Classification Standard (GICS) and is based on NACE codes (i.e. statistical classification codes of economic activities in the European community).

The Other, public and organisations is the largest industry which together with Other financial institutions and Real estate management and investment industries are the only ones that

account for more than 3% of the total exposure of EUR 488bn. During the year, exposures to Other, public and organisations decreased the most in nominal terms, while Telecommunication equipment saw the largest relative decrease. The largest nominal and relative increase occurred in Other financial institutions industry.

EURm	31 Dec 2014	31 Dec 2013
Construction and engineering	5,179	5,805
Consumer durables (cars, appliances etc)	4,713	4,803
Consumer staples (food, agriculture etc)	14,447	13,735
Energy (oil, gas etc)	4,745	4,879
Health care and pharmaceuticals	2,141	2,070
Industrial capital goods	4,250	5,242
Industrial commercial services	14,413	15,389
IT software, hardware and services	2,226	1,881
Media and leisure	2,861	3,188
Metals and mining materials	1,098	1,038
Other financial institutions	68,383	54,964
Other materials (chemical, building materials etc)	8,180	8,491
Other, public and organisations	264,218	268,296
Paper and forest material	2,718	3,056
Real estate management and investment	47,149	44,526
Retail trade	13,378	12,657
Shipping and offshore	12,160	12,790
Telecommunication equipment	261	468
Telecommunication operators	1,742	2,019
Transportation	4,566	5,121
Utilities distribution and production	8,742	9,137
Total exposure	487,570	479,555

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Credit risk disclosures

Exposure secured by collaterals, guarantees and credit derivatives

The guarantees used as credit risk mitigation are to a large extent issued by central and regional governments in the Nordic countries. Banks and insurance companies are also important guarantors of credit risk. Only eligible providers of guarantees and credit derivatives can be recognised in the standardised and IRB approach for credit risk. All central governments, regional governments and institutions are eligible as well as some multinational development banks and international organisations. Corporate guarantees that have a credit assessment by an ECAI or in the case of insti-

tutions calculating risk weighted exposure amounts and expected loss amount under the IRB approach and are internally rated by the institutions are also eligible.

Central governments and municipalities guarantee approximately 53% of the total guaranteed exposure. Exposure guarantee by these guarantors has an average risk weight of 0%. 2% of the total guaranteed exposure is guaranteed by IRB institutions. The remainder is guaranteed by IRB corporate guarantors. Credit derivatives are only used as credit risk protection to a very limited extent since the credit portfolio is considered to be well diversified.

	Original exposure	EAD	– of which secured by guarantees and credit derivatives	– of which secured by collateral
31 Dec 2014, EURm				
Government, local authorities and central banks	73,966	75,553	501	—
Institutions	54,139	51,653	524	543
Corporate	224,415	173,763	12,050	63,637
Retail	187,169	176,455	1,706	136,550
Other ¹	10,640	10,146	16	42
Total exposure	550,329	487,570	14,797	200,772

	Original exposure	EAD	– of which secured by guarantees and credit derivatives	– of which secured by collateral
31 Dec 2013, EURm				
Government, local authorities and central banks	81,444	84,049	477	1
Institutions	45,067	42,834	703	350
Corporate	225,782	170,655	8,482	65,176
Retail	178,595	167,402	2,786	132,753
Other ¹	15,247	14,615	4	7,360
Total exposure	546,135	479,555	12,452	205,640

1) Including exposures secured by real estate.

Collateral distribution

The table below presents the distribution of collateral used in the capital adequacy calculation process. The table shows real estate to constitute a major share of eligible collateral items in relative terms; real estate is commonly used as collateral for credit risk mitigation purposes. The relative share of other

physical collateral increased during the year while real estate collaterals decreased in relative terms. There is no certain concentration of real estate collateral to any particular region within the Nordic and Baltic countries. Other physical collateral consist mainly of ships.

	31 Dec 2014	31 Dec 2013
Financial Collateral	1.4%	1.4%
Receivables	0.9%	1.1%
Residential Real Estate	71.9%	72.6%
Commercial Real Estate	17.5%	18.5%
Other Physical Collateral	8.3%	6.4%
Total	100.0%	100.0%

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Credit risk disclosures

Loan-to-value distribution

A common way to analyse the value of the collateral is to measure the loan to value (LTV) ratio, i.e. the credit extended divided by the market value of the collateral pledged. In the

table below, the retail mortgage exposures are distributed by LTV range up to the top LTV bucket based on the LTV ratio. In 2014, the retail mortgage exposure decreased in the LTV buckets, with relative share of each LTV bucket remaining stable.

Retail mortgage exposure	31 Dec 2014		31 Dec 2013	
	EURbn	%	EURbn	%
<50%	98.2	77	99.2	77
50–70%	20.8	16	20.9	16
70–80%	5.4	4	5.5	4
80–90%	2.1	2	2.1	2
>90%	1.1	1	1.2	1
Total	127.6	100	128.9	100

Collateralised Debt Obligations (CDO) – Exposure¹

Nordea acts as an intermediary in the credit derivatives market, especially in Nordic names. Nordea also uses credit derivatives to hedge positions in corporate bonds and synthetic CDOs. When Nordea sells protection in a CDO transaction, it carries the risk of losses in the reference portfolio if a credit event occurs. When Nordea buys protection in a CDO transaction, any losses in the reference portfolio triggered by

a credit event are carried by the seller of protection.

Credit derivatives transactions create counterparty credit risk in similar manner to other derivative transactions. Counterparties in these transactions are typically subject to a financial collateral agreement, where the exposure is covered daily by collateral placements. CDO valuations are subject to fair value adjustments for model risk. These fair value adjustments are recognised in the income statement.

Nominal, EURm	31 Dec 2014		31 Dec 2013	
	Bought protection	Sold protection	Bought protection	Sold protection
CDOs, gross	1,204	2,155	1,266	1,985
Hedged exposures	1,005	1,005	965	966
CDOs, net²	199³	1,150⁴	301³	1,019⁴
– of which Equity	20	355	57	328
– of which Mezzanine	98	512	108	440
– of which Senior	81	283	136	251

1) First-to-Default swaps are not classified as CDOs and are therefore not included in the table. Net bought protection amounts to EUR 47m (EUR 47m) and net sold protection to EUR 46m (EUR 18m). Both bought and sold protection are, to the predominant part, investment grade.

2) Net exposure disregards exposure where tranches are completely identical in terms of reference pool attachment, detachment, maturity and currency.

3) Of which investment grade EUR 54m (EUR 150m) and sub investment grade EUR 145m (EUR 151m).

4) Of which investment grade EUR 457m (EUR 401m) and sub investment grade EUR 600m (EUR 302m) and not rated EUR 93m (EUR 316m).

Assets taken over for protection of claims¹

EURm	31 Dec 2014	31 Dec 2013
Current assets, carrying amount:		
Land and buildings	90	123
Shares and other participations	26	25
Other assets	2	3
Total	118	151

1) In accordance with Nordea's policy for taking over assets for protection of claims, which is in compliance with the local Banking Business Acts, wherever Nordea is located.

Assets, used as collateral for the loan, are generally taken over when the customer is not able to fulfil its obligations to Nordea. The assets taken over are at the latest, disposed when full recovery is reached.

G47

Credit risk disclosures

Past due loans, excluding impaired loans

The table below shows loans past due 6 days or more that are not considered impaired split by corporate and household customers. Past due loans to corporate customers that are not

considered impaired were at end of 2014 EUR 628m down from EUR 1,209m one year ago, while past due loans for household customers decreased to EUR 1,258m (EUR 1,470m).

EURm	31 Dec 2014		31 Dec 2013	
	Corporate customers	Household customers	Corporate customers	Household customers
6–30 days	375	838	675	922
31–60 days	125	222	317	305
61–90 days	70	99	66	123
>90 days	58	99	150	119
Total	628	1,258	1,209	1,470
Past due not impaired loans divided by loans to the public after allowances, %	0.33	0.82	0.66	0.96

Loans to corporate customers, by size of loan

The distribution of loans to corporate by size of loans, seen in the table below, shows a high degree of diversification where

approximately 73% (71%) of the corporate volume represents loans up to EUR 50m per customer.

Size in EURm	31 Dec 2014		31 Dec 2013	
	Loans EURbn	%	Loans EURbn	%
0–10	89.5	48	83.2	45
10–50	47.7	25	46.6	25
50–100	19.2	10	18.2	10
100–250	20.7	11	23.0	13
250–500	7.1	4	9.8	5
500–	4.1	2	2.9	2
Total	188.3	100	183.6	100

Interest-bearing securities

For more information about credit risk related to interest-bearing securities, see Note G14 where the carrying amount of interest-bearing securities is split on different types of counterparties.

G48

Interests in structured entities

Structured entities are entities designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. It normally has restricted activities with a narrow and well defined objective. If Nordea controls such an entity, it is consolidated.

Consolidated structured entities

The Viking ABCP Conduit (Viking) has been established with the purpose of supporting trade receivable or accounts payable securitisations to core Nordic customers. The SPEs purchase trade receivables from the approved sellers and fund the purchases either by issuing Commercial Papers (CP) via the established Asset Backed Commercial Papers programme or by drawing funds on the liquidity facilities available. Nordea has provided liquidity facilities of maximum EUR 1,430m (EUR 1,646m) and at year-end EUR 1,103m (EUR 1,369) where utilised. Total assets in the conduit were EUR 1,177m (EUR 1,428m) as per year-end. The SPE is consolidated as it is closely linked to the activities within Nordea. Also, Nordea is exposed to credit risk through the liquidity facility. There are no significant restrictions on repayment of loans from Viking apart from that the payments are dependent on the pace in which Viking realises its assets.

Kalmar Structured Finance A/S was established to allow customers to invest in structured products in the global credit markets. The SPE enters into Credit Default Swaps (CDS) and hereby acquires a credit risk on an underlying portfolio of names (like corporate names) and at the same time the SPE issues Credit Linked Notes (CLN) with a similar credit risk that reflects the terms in the CDSs. Nordea is the counterpart in the derivative transactions. The total notional of outstanding CLNs in this category was EUR 1m (EUR 1m) at year-end. Nordea holds CLNs issued by the SPE as part of offering a secondary market for the notes. The investment amounted to EUR 1m (EUR 1m) at year-end.

Nordea has during 2014 established a new structured entity, AR Finance. The entity invests in notes backed by trade receivables. Nordea has provided liquidity facilities of maximum EUR 90m and at year-end 2014 EUR 75m were utilised. The entity holds assets of EUR 80m as per year-end.

Unconsolidated structured entities

For structured entities in which Nordea has an interest but do not control it, disclosures are provided. To be considered to have an interest in such an entity, Nordea must be exposed to variability in returns on the investment in the structured entity. Investment funds are the only interest in unconsolidated structured entities Nordea currently holds. Variability in returns is assessed based on both fees received and revaluation of holdings in the funds.

There are several different products where Nordea invests in investment funds:

- a) on behalf of policyholders in Nordea Life & Pensions
- b) on behalf of depositors where the return is based the investment
- c) to hedge exposures in structured products issued to customers.
- d) illiquid investments in private equity and credit funds

As Nordea is exposed to variability in returns on a gross basis, information about these funds are disclosed although the net exposure is considerably less. Any change in value on investment funds acquired on behalf of policyholders and depositors where the policyholder/depositor stands the

investment risk are reflected in the value of the related liability and the maximum net exposure to losses are zero. The change in value on investment funds held on behalf of other policyholders are to a large extent passed on to the policyholders, but as Nordea has issued guarantees in some of these products, Nordea is exposed to the changes in value.

Investment funds acquired to hedge exposures in structured products reduce the exposures and to the extent hedges are effective, Nordea is not exposed to changes in value. The maximum loss on these funds is estimated to EUR 6m, net of hedges.

Investments in illiquid private equity and credit funds are an integrated part of managing balance sheet risks in Nordea. The maximum loss on these funds is estimated to EUR 84m, equal to the investment in the funds.

Nordea's interests in unconsolidated structured entities and any related liability are disclosed in the table below.

EURm	31 Dec 2014
Assets, carrying amount:	
Shares	27,740
Total assets	27,740
Liabilities, carrying amount:	
Deposits and borrowings from the public	1,386
Liabilities to policy holders	25,287
Derivatives	105
Total liabilities	26,778
Off balance, nominal amount:	
Loan commitments	29

Nordea holds approximately 2,500 different funds which are classified as unconsolidated structured entities, of which approximately 400 are managed by Nordea. These have different investment mandates and risk appetites, ranging from low risk government bond funds to high risk leveraged equity funds. Total assets in funds managed by Nordea amount to EUR 114bn. All funds are financed by deposits from the holders of fund units. The total assets investment funds not managed by Nordea are not considered meaningful for the purpose of understanding the related risks and is thus not disclosed.

Nordea has not sponsored any unconsolidated structured entity in which Nordea do not currently have an interest.

G49

Country by country reporting

In accordance with the requirements under FFFS 2008:25, the table below presents for each country where Nordea is established, i.e. where Nordea has a physical presence, information about the businesses, the geographical area, averages number of employees, total operating income, operating profit and income tax expense. Nordea is considered to have physical

presence in a country if Nordea has a subsidiary, associated undertaking or branch in that country. The amounts presented in the table below relate to continuing operations, for discontinuing operations see Note G42. Nordea has not received any significant government subsidies.

Country	Business ¹	Geographical area	2014				2013			
			Average number of employees ⁴	Total operating income ² , EURm	Operating profit, EURm	Income tax expense, EURm	Average number of employees ⁴	Total operating income ² , EURm	Operating profit, EURm	Income tax expense, EURm
Denmark	RB, WB, AM, LP	Denmark	8,255	2,974	1,130	-161	8,251	2,621	742	-165
Finland	RB, WB, AM, LP	Finland	6,971	2,197	1,136	-222	7,116	2,011	1,048	-277
Sweden	RB, WB, AM, LP	Sweden	6,963	2,963	706	-205	6,881	3,099	924	-210
Norway	RB, WB, AM, LP	Norway	3,238	1,732	900	-238	3,280	1,781	924	-251
Russia	WB	Russia	1,418	203	92	-20	1,454	193	92	-19
Poland	Other	Poland	692	-2	-23	4	503	32	13	-3
Estonia	RB, WB, LP	Estonia	486	61	27	-3	468	48	24	-7
Latvia	RB, WB	Latvia	431	64	-49	-3	443	68	14	-1
Luxembourg	AM, LP	Luxembourg	373	252	143	-42	376	228	122	-33
Lithuania	RB, WB, LP	Lithuania	351	52	21	-4	340	42	12	-2
United States	RB, WB, AM, LP	New York	118	134	94	-45	113	129	90	-32
United Kingdom	RB, WB, AM, LP	London	75	103	71	0	69	84	67	0
Singapore	WB	Singapore	85	51	50	-8	77	53	19	-1
Germany	WB, AM	Frankfurt	57	37	23	-5	55	35	21	-7
Switzerland	AM	Zürich	30	13	2	0	29	14	1	0
China	WB	Shanghai	28	6	1	-1	24	6	3	-1
Brazil	WB	Sao Paolo	4	1	0	0	4	1	0	0
Eliminations ³			—	-617	—	—	—	-554	—	—
Total			29,575	10,224	4,324	-953	29,483	9,891	4,116	-1,009

1) RB=Retail banking, WB=Wholesale banking, AM=Asset management, LP= Life and pension.

2) Total operating income presented in this table is split on countries based on where Nordea has a physical presence, i.e. where Nordea has a subsidiary, associated undertaking or branch, while total operating profit presented in Note G2 is split on countries based on the location of the customers' operations.

3) Eliminations of transactions consist mainly of intra-group IT-services.

4) The average number of employees in discontinued operations is 644 (1,951).

G49**Country by country reporting, cont.**

In accordance with the requirements under FFFS 2008:25 Nordea also discloses the names of the subsidiaries, associated undertakings and branches for each country where Nordea is established. These disclosures are presented in the table below, in the table "Specification of group undertakings 31 December 2014" in Note G38 and in the last table in Note G19.

Denmark

Nordea Liv & Pension, Livforsikringselskab A/S

Finland

Nordea Life Assurance Finland Ltd

Sweden

Nordea Life Holding AB

Nordea Livförsäkring Sverige AB (publ)

Norway

Nordea Liv Holding Norge AS

Livforsikringselskapet Nordea Liv Norge AS

Estonia

Nordea Bank AB Eesti filiaal

Latvia

Nordea Bank AB Latvijas filiale

Lithuania

Nordea Bank AB Lietuvos skyrius

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Income statement, Parent company

EURm	Note	2014	2013
Operating income			
Interest income		1,942	2,140
Interest expense		-1,293	-1,499
Net interest income	P3	649	641
Fee and commission income		1,093	1,259
Fee and commission expense		-273	-250
Net fee and commission income	P4	820	1,009
Net result from items at fair value	P5	186	131
Dividends	P6	2,333	1,827
Other operating income	P7	975	674
Total operating income		4,963	4,282
Operating expenses			
General administrative expenses:			
Staff costs	P8	-1,070	-982
Other expenses	P9	-904	-1,018
Depreciation, amortisation and impairment charges of tangible and intangible assets	P10, P23, P24	-261	-109
Total operating expenses		-2,235	-2,109
Profit before loan losses		2,728	2,173
Net loan losses	P11	-98	-124
Impairment of securities held as financial non-current assets	P21	-15	-4
Operating profit		2,615	2,045
Appropriations	P12	-1	102
Income tax expense	P13	-189	-192
Net profit for the year		2,425	1,955

Statement of comprehensive income

EURm	2014	2013
Net profit for the year	2,425	1,955
Items that may be reclassified subsequently to the income statement		
Available for sale investments: ¹		
Valuation gains/losses during the year	6	4
Tax on valuation gains/losses during the year	-1	-1
Transferred to the income statement during the year	0	2
Tax on transfers to the income statement during the year	0	0
Cash flow hedges:		
Valuation gains/losses during the year	140	562
Tax on valuation gains/losses during the year	-31	-124
Transferred to the income statement during the year	-139	-586
Tax on transfers to the income statement during the year	31	129
Items that may be not reclassified subsequently to the income statement		
Defined benefit plans:		
Remeasurement of benefit plans during the year	-11	—
Tax on remeasurement of benefit plans during the year	2	—
Other comprehensive income, net of tax	-3	-14
Total comprehensive income	2,422	1,941

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

Balance sheet, Parent company

EURm	Note	31 Dec 2014	31 Dec 2013
Assets			
Cash and balances with central banks		931	45
Treasury bills	P14	5,035	4,952
Loans to credit institutions	P15	86,704	80,918
Loans to the public	P15	39,809	34,155
Interest-bearing securities	P16	11,321	11,128
Financial instruments pledged as collateral	P17	43	737
Shares	P18	6,061	5,351
Derivatives	P19	5,981	4,219
Fair value changes of the hedged items in portfolio hedge of interest rate risk	P20	1	-11
Investments in group undertakings	P21	16,986	17,723
Investments in associated undertakings	P22	7	7
Intangible assets	P23	758	729
Properties and equipment	P24	119	118
Deferred tax assets	P13	14	28
Current tax assets		50	0
Other assets	P25	3,727	2,533
Prepaid expenses and accrued income	P26	884	1,291
Total assets		178,431	163,923
Liabilities			
Deposits by credit institutions	P27	27,452	17,500
Deposits and borrowings from the public	P28	49,367	47,531
Debt securities in issue	P29	63,280	62,961
Derivatives	P19	4,653	3,627
Fair value changes of the hedged items in portfolio hedge of interest rate risk	P20	1,368	715
Current tax liabilities		4	11
Other liabilities	P30	2,895	4,173
Accrued expenses and prepaid income	P31	642	1,150
Deferred tax liabilities	P13	0	10
Provisions	P32	206	184
Retirement benefit liabilities	P33	171	166
Subordinated liabilities	P34	7,728	5,971
Total liabilities		157,766	143,999
Untaxed reserves	P35	4	3
Equity			
Share capital		4,050	4,050
Share premium reserve		1,080	1,080
Other reserves		-5	-2
Retained earnings		15,536	14,793
Total equity		20,661	19,921
Total liabilities and equity		178,431	163,923
Assets pledged as security for own liabilities	P36	3,946	2,454
Other assets pledged	P37	9,238	7,033
Contingent liabilities	P38	71,103	70,385
Commitments	P39	23,824	26,713

Statement of changes in equity, Parent company

EURm	Restricted equity		Unrestricted equity ¹					Total equity
	Share capital	Share premium reserve	Cash flow hedges	Other reserves:			Retained earnings	
				Available for sale investments	Defined benefit plans			
Balance at 1 Jan 2014	4,050	1,080	-38	36	—	14,793	19,921	
Net profit for the year	—	—	—	—	—	2,425	2,425	
<i>Items that may be reclassified subsequently to the income statement</i>								
Available for sale investments:								
Valuation gains/losses during the year	—	—	—	6	—	—	6	
Tax on valuation gains/losses during the year	—	—	—	-1	—	—	-1	
Transferred to the income statement during the year	—	—	—	0	—	—	0	
Tax on transfers to the income statement during the year	—	—	—	0	—	—	0	
Cash flow hedges:								
Valuation gains/losses during the year	—	—	140	—	—	—	140	
Tax on valuation gains/losses during the year	—	—	-31	—	—	—	-31	
Transferred to the income statement during the year	—	—	-139	—	—	—	-139	
Tax on transfers to the income statement during the year	—	—	31	—	—	—	31	
<i>Items that may not be reclassified subsequently to the income statement</i>								
Defined benefit plans								
Remeasurement of benefit plans during the year	—	—	—	—	-11	—	-11	
Tax on remeasurement of benefit plans during the year	—	—	—	—	2	—	2	
Other comprehensive income, net of tax	—	—	1	5	-9	—	-3	
Total comprehensive income	—	—	1	5	-9	2,425	2,422	
Share-based payments	—	—	—	—	—	15	15	
Dividend for 2013	—	—	—	—	—	-1,733	-1,733	
Divestment of own shares ²	—	—	—	—	—	34	34	
Other changes in equity	—	—	—	—	—	2	2	
Balance at 31 Dec 2014	4,050	1,080	-37	41	-9	15,536	20,661	

1) Apart from retained earnings, unrestricted equity consists of a free fund to the amount of EUR 2,762m.

2) Refers to the change in the holding of own shares related to Long term Incentive Programme and trading portfolio. The number of own shares were 17.6 million.

EURm	Restricted equity		Unrestricted equity ¹					Total equity
	Share capital	Share premium reserve	Cash flow hedges	Other reserves:			Retained earnings	
				Available for sale investments	Defined benefit plans			
Balance at 1 Jan 2013	4,050	1,080	-19	31	—	14,233	19,375	
Net profit for the year	—	—	—	—	—	1,955	1,955	
<i>Items that may be reclassified subsequently to the income statement</i>								
Available for sale investments:								
Valuation gains/losses during the year	—	—	—	4	—	—	4	
Tax on valuation gains/losses during the year	—	—	—	-1	—	—	-1	
Transferred to the income statement during the year	—	—	—	2	—	—	2	
Tax on transfers to the income statement during the year	—	—	—	0	—	—	0	
Cash flow hedges:								
Valuation gains/losses during the year	—	—	562	—	—	—	562	
Tax on valuation gains/losses during the year	—	—	-124	—	—	—	-124	
Transferred to the income statement during the year	—	—	-586	—	—	—	-586	
Tax on transfers to the income statement during the year	—	—	129	—	—	—	129	
<i>Items that may be not reclassified subsequently to the income statement</i>								
Defined benefit plans:								
Remeasurement of benefit plans during the year	—	—	—	—	—	—	—	
Tax on remeasurement of benefit plans during the year	—	—	—	—	—	—	—	
Other comprehensive income, net of tax	—	—	-19	5	—	—	-14	
Total comprehensive income	—	—	-19	5	—	1,955	1,941	
Share-based payments	—	—	—	—	—	15	15	
Dividend for 2012	—	—	—	—	—	-1,370	-1,370	
Repurchases of own shares ²	—	—	—	—	—	-40	-40	
Balance at 31 Dec 2013	4,050	1,080	-38	36	—	14,793	19,921	

1) Apart from retained earnings, unrestricted equity consists of a free fund to the amount of EUR 2,762m.

2) Refers to the change in the holding of own shares related to Long term Incentive Programme and trading portfolio. The number of own shares were 23.8 million.

Description of items in equity is included in Note G1 "Accounting policies".

Share capital

	Quota value per share, EUR	Total number of shares	Share capital, EUR
Balance at 31 Dec 2013	1.0	4,049,951,919	4,049,951,919
Balance at 31 Dec 2014	1.0	4,049,951,919	4,049,951,919

Dividends per share

Final dividends are not accounted for until they have been ratified at the Annual General Meeting (AGM). At the AGM on 19 March 2015, a dividend in respect of 2014 of EUR 0.62 per share (2013 actual dividend EUR 0.43 per share) amount-

ing to a total of EUR 2,501,100,294 (2013 actual: EUR 1,733,603,282) is to be proposed. The financial statements for the year ended 31 December 2014 do not reflect this resolution, which will be accounted for in equity as an appropriation of retained earnings in the year ending 31 December 2015.

Cash flow statement, Parent company

EURm	2014	2013
Operating activities		
Operating profit	2,615	2,045
Adjustment for items not included in cash flow	-655	-1,771
Income taxes paid	-232	-142
Cash flow from operating activities before changes in operating assets and liabilities	1,728	132
Changes in operating assets		
Change in treasury bills	-58	9
Change in loans to credit institutions	-239	-19,476
Change in loans to the public	-5,809	1,915
Change in interest-bearing securities	-217	-78
Change in financial assets pledged as collateral	694	-634
Change in shares	-704	-610
Change in derivatives, net	-63	297
Change in other assets	561	-820
Changes in operating liabilities		
Change in deposits by credit institutions	9,941	-1,842
Change in deposits and borrowings from the public	1,817	-2,732
Change in debt securities in issue	-10	14,676
Change in other liabilities	-1,279	4,025
Cash flow from operating activities	6,362	-5,138
Investing activities		
Shareholder's contributions to group undertakings	—	-47
Sale of business operations	626	17
Sale of associated undertakings	—	1
Acquisition of properties and equipment	-30	-28
Sale of property and equipment	1	3
Acquisition of intangible assets	-258	-143
Net divestments in debt securities, held to maturity	209	544
Cash flow from investing activities	548	347
Financing activities		
Issued subordinated liabilities	1,224	—
Amortised subordinated liabilities	—	-500
Repurchase/divestment of own shares incl change in trading portfolio	34	-40
Dividend paid	-1,734	-1,370
Cash flow from financing activities	-476	-1,910
Cash flow for the year	6,434	-6,701
Cash and cash equivalents at the beginning of year	1,599	8,300
Cash and cash equivalents at the end of year	8,033	1,599
Change	6,434	-6,701

Comments on the cash flow statement

The cash flow statement shows inflows and outflows of cash and cash equivalents during the year. Nordea's cash flow has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. The cash flows are classified by operating, investing and financing activities.

Operating activities

Operating activities are the principal revenue-producing activities and cash flows are mainly derived from the operating profit for the year with adjustment for items not included in cash flow and income taxes paid. Adjustment for items not included in cash flow includes:

EURm	2014	2013
Depreciation	118	100
Impairment charges	158	9
Loan losses	122	144
Unrealised gains/losses	-281	914
Capital gains/losses (net)	-280	-16
Change in accruals and provisions	236	-307
Anticipated dividends	-645	-1,042
Group contributions	-1,109	-459
Translation differences	386	-173
Change in fair value of the hedged items, assets/liabilities (net)	641	-932
Other	-1	-9
Total	-655	-1,771

Changes in operating assets and liabilities consists of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported net.

Cash flow from operating activities includes interest payments received and interest expenses paid with the following amounts:

EURm	2014	2013
Interest payments received	2,039	2,202
Interest expenses paid	1,315	1,517

Investing activities

Investing activities include acquisitions and disposals of non-current assets, like property and equipment, intangible and financial assets.

Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities, such as new issues of shares, dividends and issued/amortised subordinated liabilities.

Cash and cash equivalents

The following items are included in Cash and cash equivalents:

EURm	31 Dec 2014	31 Dec 2013
Cash and balances with central banks	931	45
Loans to credit institutions, payable on demand	7,102	1,554
Total	8,033	1,599

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

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

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

5 year overview, Parent company

Income statement

EURm	2014	2013	2012	2011	2010
Net interest income	649	641	724	680	584
Net fee and commission income	820	1,009	623	560	571
Net result from items at fair value	186	131	189	234	157
Dividends	2,333	1,827	3,554	1,534	2,203
Other income	975	674	501	122	123
Total operating income	4,963	4,282	5,591	3,130	3,638
General administrative expenses:					
Staff costs	-1,070	-982	-938	-823	-745
Other expenses	-904	-1,018	-842	-561	-526
Depreciation, amortisation and impairment charges of tangible and intangible assets	-261	-109	-105	-112	-112
Total operating expenses	-2,235	-2,109	-1,885	-1,496	-1,383
Profit before loan losses	2,728	2,173	3,706	1,634	2,255
Net loan losses	-98	-124	-19	-20	-33
Impairment of securities held as financial non-current assets	-15	-4	-15	-9	-105
Operating profit	2,615	2,045	3,672	1,605	2,117
Appropriations	-1	102	-103	1	0
Income tax expense	-189	-192	-95	-114	-115
Net profit for the year	2,425	1,955	3,474	1,492	2,002

Balance sheet

EURm	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Treasury bills and interest-bearing securities	16,356	16,080	16,686	18,314	20,706
Loans to credit institutions	86,704	80,918	68,006	59,379	48,151
Loans to the public	39,809	34,155	36,214	36,421	33,800
Investments in group undertakings	16,986	17,723	17,659	16,713	16,690
Other assets	18,576	15,047	13,565	10,554	14,458
Total assets	178,431	163,923	152,130	141,381	133,805
Deposits by credit institutions	27,452	17,500	19,342	22,441	28,644
Deposits and borrowings from the public	49,367	47,531	50,263	44,389	39,620
Debt securities in issue	63,280	62,961	48,285	45,367	33,424
Subordinated liabilities	7,728	5,971	7,131	6,154	7,135
Other liabilities/untaxed reserves	9,943	10,039	7,734	6,109	8,402
Equity	20,661	19,921	19,375	16,921	16,580
Total liabilities and equity	178,431	163,923	152,130	141,381	133,805

Ratios and key figures, Parent company

	2014	2013	2012	2011	2010
Return on equity, %	12.6	10.5	20.5	9.4	13.4
Return on assets, %	1.4	1.2	2.3	1.1	1.5
Cost/income ratio, %	45.0	49.3	33.9	47.8	38.0
Loan loss ratio, basis points	25	36	5	5	10
Common Equity Tier 1 capital ratio excluding transition rules ^{1,2} , %	21.8	20.8	17.6	24.9	23.8
Tier 1 capital ratio, excluding transition rules ¹ , %	25.3	23.1	19.6	28.1	27.0
Total capital ratio, excluding transition rules ¹ , %	30.6	28.0	24.4	33.3	34.5
Tier 1 capital ^{1,2,3} EURm	19,932	19,300	19,244	17,134	16,578
Risk-exposure amount, including transition rules ¹ EURbn	79	83	98	61	61

1) End of the year.

2) Including result of the year.

3) The 2013 ratios are reported under the Basel II regulation framework and the 2014 ratios are reported using the Basel III (CRR/CRDIV) framework.

Basis for presentation

The financial statements for the parent company, Nordea Bank AB (publ), are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority, FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18. This means that the parent company applies International Financial Reporting Standards (IFRS) as endorsed by the EU Commission to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation.

The Group's accounting policies described in Note G1 "Accounting policies" are applicable also for the parent company, considering also the information provided below.

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2013 Annual Report.

The new standard IFRS 12 "Disclosure of Interests in Other Entities" was implemented 1 January 2014 but has not had any significant impact on the financial statements of the parent company.

The Swedish Financial Supervisory Authority has amended the accounting regulation FFFS 2008:25 by issuing FFFS 2013:24 and FFFS 2014:18. FFFS 2013:24 was implemented by the parent company on 1 January 2014, except for the new requirements to disclose maturity information which were early adopted as from 1 January 2013. FFFS 2014:18 was implemented during the third quarter 2014. The amendments require additional disclosures related to capital adequacy which are presented in Note P40 "Capital adequacy". Other amendments in FFFS 2013:24 and FFFS 2014:18 have not had any significant impact on the parent company's financial statements.

The Swedish Financial Reporting Board has amended the accounting recommendation for legal entities RFR 2 by issuing "RFR 2 Accounting for Legal Entities - January 2014". Those amendments were implemented by the parent company 1 January 2014, as a consequence of applying FFFS 2008:25, but have not had any significant impact on the parent company's financial statement.

Forthcoming changes in IFRSs not yet implemented by the parent company can be found in section 3 "Changes in IFRSs not yet applied by Nordea" in Note G1 "Accounting policies". The conclusions within this section are also, where applicable, relevant for the parent company.

Accounting policies applicable for the parent company only**Investments in group undertakings and associated undertakings**

The parent company's investments in group undertakings and associated undertakings are recognised under the cost model. Impairment tests are performed according to IAS 36 "Impairment of Assets". At each balance sheet date, all shares in group undertakings and associated undertakings are reviewed for indications of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of each holding of shares is fully recoverable. The recoverable amount is the higher of fair value less costs to sell

and the value in use. Any impairment charge is calculated as the difference between the carrying amount and the recoverable amount and is classified as "Impairment of securities held as financial non-current assets" in the income statement.

The parent company applies fair value hedge accounting for the foreign exchange risk in investments in subsidiaries. The shares in subsidiaries are remeasured with regards to the hedged risk with a corresponding entry in "Net result from items at fair value". The change in fair value of the hedging instruments is also recognised in the income statement in "Net result from items at fair value".

Dividends

Dividends paid to the shareholders of Nordea Bank AB (publ) are recorded as a liability following the approval of the Annual General Meeting.

Dividends paid by group undertakings to the parent company are anticipated if the parent alone can decide on the size of the dividend and if the formal decision has been made before the financial report is published. Dividends from group- and associated undertakings are recognised on the separate income line "Dividends".

Amortisation of goodwill

Under IAS 38, goodwill and other intangible assets with indefinite useful lives are not amortised in the consolidated financial statements. In the parent company financial statements goodwill is amortised as any other intangible asset in accordance with the rules set out in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), i.e. normally over a period of five years unless, under exceptional circumstances, a longer amortisation period is justified.

Functional currency

The functional and presentation currency of the parent company is EUR. All transactions in other currencies are converted to EUR in accordance with the policies disclosed in section 9 "Translation of assets and liabilities denominated in foreign currencies" in Note G1 "Accounting policies".

Pensions

The accounting principle for defined benefit obligations follows the Swedish rules ("Tryggandelagen") and the regulations of the Swedish Financial Supervisory Authority as this is the condition for tax deductibility. The significant differences compared with IAS 19 consists of how the discount rate is determined, that the calculation of the defined benefit obligation is based on current salary level without assumptions about future salary increases.

In Sweden, actuarial pension commitments are guaranteed by a pension foundation or recognised as a liability. No net defined benefit assets are recognised. The pension cost in the parent company, classified as "Staff cost" in the income statement, consists of changes in recognised pension provisions (including special wage tax) for active employees, pension benefits paid, contributions made to or received from the pension foundation and related special wage tax.

The pension obligations in the foreign branches are calculated in accordance with local accounting requirements.

P1 Accounting policies, cont.

Group contributions

Group contributions paid to group undertakings are recognised as an increase in the value of investments in group undertakings, net of tax. Group contributions received from group undertakings are recognised as dividends. The possible tax effects on group contributions received are classified as “Income tax expense” in the income statement.

Untaxed reserves

The parent company reports untaxed reserves, related to accelerated depreciation and tax allocation reserve under tax regulations. In the consolidated financial statements, untaxed reserves are split on the items “Retained earnings” and “Deferred tax liabilities” on the balance sheet.

P2 Segment reporting

Geographical information

	Sweden		Finland		Norway		Denmark		Others		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
EURm												
Net interest income	649	641	—	—	—	—	—	—	—	—	649	641
Net fee and commission income	820	1,009	—	—	—	—	—	—	—	—	820	1,009
Net result from items at fair value	186	131	—	—	—	—	—	—	—	—	186	131
Dividends ¹	949	838	604	700	—	—	750	244	30	45	2,333	1,827
Other operating income	327	106	214	195	94	88	340	285	—	—	975	674
Total operating income	2,931	2,725	818	895	94	88	1,090	529	30	45	4,963	4,282

1) Regards dividends from group undertakings.

P3 Net interest income

EURm	2014	2013
Interest income		
Loans to credit institutions	651	713
Loans to the public	928	973
Interest-bearing securities	295	366
Other interest income	68	88
Interest income	1,942	2,140
Interest expense		
Deposits by credit institutions	-127	-148
Deposits and borrowings from the public	-193	-333
Debt securities in issue	-958	-935
Subordinated liabilities	-313	-314
Other interest expenses ¹	298	231
Interest expense	-1,293	-1,499
Net interest income	649	641

1) The net interest income from derivatives, measured at fair value and related to Nordea's funding. This can have both a positive and negative impact on other interest expense, for further information see Note G1 "Accounting policies".

Interest income from financial instruments not measured at fair value through profit and loss amounts to EUR 1,655m (EUR 1,804m). Interest expenses from financial instruments

not measured at fair value through profit and loss amounts to EUR -1,617m (EUR -1,756m). Interest on impaired loans amounted to an insignificant portion of interest income.

P4 Net fee and commission income

EURm	2014	2013
Asset management commissions	129	115
Life insurance	1	2
Brokerage, securities issues and corporate finance	168	165
Custody and issuers services	24	22
Deposits	23	26
Total savings related commissions	345	330
Payments	105	109
Cards	238	219
Total payment commissions	343	328
Lending	157	164
Guarantees and documentary payment	215	402
Total lending related commissions	372	566
Other commission income	33	35
Fee and commission income	1,093	1,259
Savings and investments	-30	-28
Payments	-22	-26
Cards	-136	-126
State guarantee fees	-55	-50
Other commission expenses	-30	-20
Fee and commission expense	-273	-250
Net fee and commission income	820	1,009

Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounts to EUR 180m (EUR 191m).

Fee income, not included in determining the effective interest rate, from fiduciary activities that result in the holding or investing of assets on behalf of customers amount to EUR 298m (EUR 282m). The corresponding amount for fee expenses is EUR -30m (EUR -28m).

P5 Net result from items at fair value

EURm	2014	2013
Shares/participations and other share-related instruments	47	35
Interest-bearing securities and other interest-related instruments	-95	165
Other financial instruments	14	8
Foreign exchange gains/losses	220	-77
Total¹	186	131

1) Of which EUR 41m (EUR 53m) is dividends from shares.

P5 Net result from items at fair value, cont.
Net result from categories of financial instruments

EURm	2014	2013
Available for sale assets, realised	0	-2
Financial instruments designated at fair value through profit or loss	21	19
Financial instruments held for trading	53	80
Financial instruments under fair value hedge accounting	6	-6
– of which net losses on hedging instruments	-487	-929
– of which net gains on hedged items	493	923
Foreign assets measured at amortised cost	27	0
Foreign exchange gains/losses excluding currency hedges	83	40
Other	-4	0
Total	186	131

P6 Dividends

EURm	2014	2013
Dividends from group undertakings		
Nordea Bank Finland Plc	550	700
Nordea Bank Denmark A/S	739	235
Nordea Life Holding AB	220	310
Nordea Investment Management AB	75	68
Nordea Bank S.A.	30	45
Nordea Funds Ltd	54	—
Nordea Ejendomsinvestering A/S	11	9
Barkman Elektronik AB in liquidation	8	—
Dividends from associated undertakings		
Upplysningscentralen (UC) AB	1	1
Group Contributions		
Nordea Hypotek AB	494	245
Nordea Nordic Baltic 1 AB	8	28
Nordea Investment Management AB	14	—
Nordea Finans AB	129	186
Total	2,333	1,827

P7 Other operating income

EURm	2014	2013
Divestment of shares	278	17
Remuneration from group undertakings	691	644
Other	6	13
Total	975	674

P8

Staff costs

EURm	2014	2013
Salaries and remuneration (specification below) ¹	-716	-650
Pension costs (specification below)	-134	-126
Social security contributions	-213	-200
Other staff costs	-7	-6
Total²	-1,070	-982

Salaries and remuneration

To executives ³		
– Fixed compensation and benefits	-6	-6
– Performance-related compensation	-6	-5
– Allocation to profitsharing	0	0
Total	-12	-11
To other employees	-704	-639
Total	-716	-650

- 1) Allocation to profit-sharing foundation 2014 EUR 25m (EUR 13m) consists of a new allocation of EUR 24m (EUR 13m) and an allocation related to prior year of EUR 1m (EUR 0m).
 2) Of which EUR 48m regards termination benefits in connection to the cost efficiency programme launched in the second quarter.
 3) Executives include the Board of Directors (including deputies), CEO, deputy CEO, executive vice presidents and Group Executive Management in the parent company. Former board members (including deputies), CEOs, deputy CEOs, managing directors and executive vice presidents, are included. Executives amounts to 15 (16) positions.

EURm	2014	2013
Pension costs¹		
Defined benefit plans	-73	-67
Defined contribution plans	-61	-59
Total	-134	-126

1) Pension costs for executives, see Note G7 "Staff costs".

Additional disclosures on remuneration under Swedish FSA regulations and general guidelines

The qualitative disclosures under these regulations can be found in the separate section on remuneration in the Board of Directors' Report, while the quantitative disclosures will be published in a separate report on Nordea's homepage (www.nordea.com) no later than one week before the Annual General Meeting on 19 March 2015.

Compensation to key management personnel

Salaries and remuneration to the Board of Directors, CEO and Group Executive Management, see Note G7 "Staff costs".

Loans to key management personnel

Loans to key management personnel amounts to EUR 0m (EUR 0m). Interest income on these loans amounts to EUR 0m (EUR 0m). For information about loan conditions, see Note G7 "Staff costs".

Long Term Incentive Programmes

Participation in the Long Term Incentive Programmes (LTIPs) requires that the participants take direct ownership by investing in Nordea shares. For more information about conditions and requirements, see Note G7 "Staff costs".

For information on number of outstanding conditional rights in the LTIPs, see Note G7 "Staff costs". All rights in the LTIPs, both to employees in the parent company as well as to employees in group undertakings, are issued by Nordea Bank AB (publ).

The expenses in below table regards only employees in Nordea Bank AB (publ).

Expenses for equity-settled share-based payment programmes¹

EURm	LTIP 2012	LTIP 2011	LTIP 2010
Expected expense for the whole programme	-12	-8	-5
Maximum expense for the whole programme	-12	-8	-5
Total expense during 2014	-5	-1	—
Total expense during 2013	-2	-3	-1

1) All amounts excluding social security contribution.

When calculating the expected expense an expected annual employee turnover of 5% has been used. The expected expense is recognised over the vesting period of 36 months.

Cash-settled share-based payment transactions

Nordea operates share-linked deferrals on parts of variable compensation for certain employee categories, indexed with Nordea Total Shareholder Returns (TSR) and either transferred after three years or in equal instalments over a three to five year period. Since 2011 Nordea also operates TSR-linked retention on part of variable compensation for certain employee categories. Due to that the allocation of variable compensation is not finally decided during the current year, the deferred amount during the year in the table below relates to variable compensation earned the previous year.

In addition Nordea in 2013 introduced the Executive Incentive Programme (EIP) which aims to strengthen Nordea's capability to retain and recruit the best talents. The aim is further to stimulate the managers and key employees whose efforts have direct impact on Nordea's result, profitability and long term value growth. EIP reward performance meeting agreed predetermined targets on Group, business unit and individual level. The effect on the long term result is to be considered when determining the targets. The EIP shall not exceed the fixed salary. EIP shall be paid in the form of cash and be subject to TSR-indexation, deferral, forfeiture clauses and retention as per relevant remuneration regulations. The main part of EIP 2014 is paid no earlier than autumn 2018. Participation in the programme is offered to up to 400 managers and key employees, except GEM who are instead offered a GEM EIP (further information about the GEM EIP can be found in the Remuneration section in the Board of Director's Report), within the Nordea Group. EIP is offered instead of Nordea's LTIP and VSP for the invited employees. The allocation of the EIP 2014 is decided during spring 2015, and a reservation of EUR 16m excl. social costs is made 2014. 80% of the allocated amount will be subject to TSR-indexation.

The below table only includes deferred amounts indexed with Nordea TSR. EIP has been included as from 2014, when deferred. Further information regarding all deferred amounts can be found in the separate report on remuneration published on Nordea's homepage (www.nordea.com).

P8 Staff costs, cont.

EURm	Share linked deferrals	
	2014	2013
Opening balance	3	2
Deferred/earned during the year	5	1
TSR indexation during the year	1	1
Payments during the year ¹	-1	-1
Translation differences	-1	0
Closing balance	7	3

1) There have been no adjustments due to forfeitures in 2014.

Average number of employees

	Total		Men		Women	
	2014	2013	2014	2013	2014	2013
Full-time equivalents						
Sweden	6,485	6,395	2,983	2,852	3,502	3,543
Other countries	3,613	1,842	1,854	1,156	1,759	686
Total average	10,098	8,237	4,837	4,008	5,261	4,229

Gender distribution, executives

Per cent	31 Dec 2014	31 Dec 2013
Nordea Bank AB (publ)		
Board of Directors – Men	50	67
Board of Directors – Women	50	33
Other executives – Men	86	86
Other executives – Women	14	14

P9 Other expenses

EURm	2014	2013
Information technology	-538	-622
Marketing and representation	-34	-35
Postage, transportation, telephone and office expenses	-55	-61
Rents, premises and real estate	-133	-125
Other ¹	-144	-175
Total	-904	-1,018

1) Including fees and remuneration to auditors distributed as follows.

Auditors' fee

EURm	2014	2013
KPMG		
Auditing assignments	-2	-2
Audit-related services	0	-1
Tax advisory services	0	0
Other assignments	-1	-3
Total	-3	-6

P10 Depreciation, amortisation and impairment charges of tangible and intangible assets

EURm	2014	2013
Depreciation/amortisation		
Property and equipment (Note P24)		
Equipment	-27	-24
Intangible assets (Note P23)		
Goodwill	-49	-49
Computer software	-31	-23
Other intangible assets	-11	-4
Total	-118	-100

Impairment charges

EURm	2014	2013
Intangible assets (Note P23)		
Computer software	-142	-9
Other intangible assets	-1	—
Total	-143	-9
Total	-261	-109

P11 Net loan losses

EURm	2014	2013
Divided by class		
Loans to credit institutions ¹	0	1
– of which reversals	0	1
Loans to the public ¹	-34	-45
– of which provisions	-77	-57
– of which write-offs	-68	-72
– of which allowances used for covering write-offs	24	34
– of which reversals	64	29
– of which recoveries	23	21
Off-balance sheet items ²	-64	-80
– of which provisions	-77	-70
– of which reversals	50	38
– of which directly recognised in income statement	-37	-48
Total	-98	-124

1) Included in Note P15 "Loans and impairment".

2) Included in Note P32 "Provisions" as "Transfer risk, off-balance" and "Guarantees".

Key ratios

	2014	2013
Loan loss ratio, basis points	25	36
– of which individual	9	15
– of which collective	16	21

P12**Appropriations**

EURm	2014	2013
Change in tax allocation reserve	—	100
Change in depreciation in excess of plan, equipment	-1	2
Total	-1	102

P13**Taxes****Income tax expense**

EURm	2014	2013
Current tax	-176	-194
Deferred tax	-13	2
Total	-189	-192

The tax on the operating profit differs from the theoretical amount that would arise using the tax rate in Sweden as follows:

EURm	2014	2013
Profit before tax	2,614	2,147
Tax calculated at a tax rate of 22.0%	-575	-472
Tax-exempt income	431	307
Non-deductible expenses	-16	-20
Adjustments relating to prior years	-29	-7
Tax charge	-189	-192
Average effective tax rate	7%	9%

Deferred tax

EURm	Deferred tax assets		Deferred tax liabilities	
	2014	2013	2014	2013
Deferred tax related to:				
Derivatives	10	11	—	10
Properties and equipment	—	—	9	—
Retirement benefit obligations	3	9	—	—
Liabilities/provisions	10	8	0	—
Netting between deferred tax assets and liabilities	-9	—	-9	—
Total	14	28	0	10

P14
Treasury bills

EURm	31 Dec 2014	31 Dec 2013
State and sovereigns ¹	4,328	5,235
Municipalities and other public bodies	750	454
Total	5,078	5,689
– of which Financial instruments pledged as collateral (Note P17)	43	737
Total	5,035	4,952

1) Of which EUR 0m (EUR 17m) held at amortised cost with a nominal amount of EUR 0m (EUR 17m).

P15
Loans and impairment

EURm	Credit institutions		The public		Total	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Loans, not impaired	86,706	80,920	39,501	34,015	126,207	114,935
Impaired loans	—	—	636	312	636	312
– Performing	—	—	312	180	312	180
– Non-performing	—	—	324	132	324	132
Loans before allowances	86,706	80,920	40,137	34,327	126,843	115,247
Allowances for individually assessed impaired loans	—	—	-254	-118	-254	-118
– Performing	—	—	-127	-79	-127	-79
– Non-performing	—	—	-127	-39	-127	-39
Allowances for collectively assessed impaired loans	-2	-2	-74	-54	-76	-56
Allowances	-2	-2	-328	-172	-330	-174
Loans, carrying amount	86,704	80,918	39,809	34,155	126,513	115,073

Movements in allowance accounts for impaired loans

EURm	Credit institutions			The public			Total		
	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total	Individually assessed	Collectively assessed	Total
Opening balance at 1 Jan 2014	0	-2	-2	-118	-54	-172	-118	-56	-174
Provisions	—	0	0	-75	-2	-77	-75	-2	-77
Reversals of previous provisions	—	0	0	58	6	64	58	6	64
Changes through the income statement	—	0	0	-17	4	-13	-17	4	-13
Allowances in acquired loan portfolios	—	—	—	-150	-26	-176	-150	-26	-176
Allowances used to cover write-offs	—	—	—	24	—	24	24	—	24
Translation differences	—	0	0	7	2	9	7	2	9
Closing balance at 31 Dec 2014	—	-2	-2	-254	-74	-328	-254	-76	-330
Opening balance at 1 Jan 2013	-1	-4	-5	-132	-61	-193	-133	-65	-198
Provisions	—	1	1	-55	-3	-58	-55	-2	-57
Reversals of previous provisions	—	1	1	22	6	28	22	7	29
Changes through the income statement	—	2	2	-33	3	-30	-33	5	-28
Allowances used to cover write-offs	—	—	—	34	—	34	34	—	34
Translation differences	1	—	1	13	4	17	14	4	18
Closing balance at 31 Dec 2013	0	-2	-2	-118	-54	-172	-118	-56	-174

P15**Loans and impairment, cont.****Allowances and provisions¹**

EURm	Credit institutions		The public		Total	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Allowances for items on the balance sheet	-2	-2	-328	-172	-330	-174
Provisions for off balance sheet items	-162	-138	-1	-3	-163	-141
Total allowances and provisions	-164	-140	-329	-175	-493	-315

1) Included in Note P32 "Provisions" as "Transferrisk, off-balance" and "Individually assessed guarantees and other commitments".

Key ratios

	31 Dec 2014	31 Dec 2013
Impairment rate, gross, basis points	50	27
Impairment rate, net, basis points	30	17
Total allowance rate, basis points	26	15
Allowances in relation to impaired loans, %	40	38
Total allowances in relation to impaired loans, %	52	56

P16**Interest-bearing securities**

EURm	31 Dec 2014	31 Dec 2013
Issued by public bodies	43	—
Issued by other borrowers ¹	11,278	11,128
Total	11,321	11,128
Listed securities	11,166	10,969
Unlisted securities	155	159
Total	11,321	11,128

1) Of which EUR 111m (EUR 321m) held at amortised cost with a nominal amount of EUR 112m (EUR 322m).

P18**Shares**

EURm	31 Dec 2014	31 Dec 2013
Shares	6,060	5,350
Shares taken over for protection of claims	1	1
Total	6,061	5,351
Listed shares	6,029	5,322
Unlisted shares	32	29
Total	6,061	5,351

P17**Financial instruments pledged as collateral****Financial instruments pledged as collateral**

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterpart receiving the collateral has the right to sell or repledge the assets, the assets are reclassified on the balance sheet to the item Financial instruments pledged as collateral.

EURm	31 Dec 2014	31 Dec 2013
Treasury bills	43	737
Total	43	737

For more information on transferred assets, see Note P45 "Transferred assets and obtained collaterals".

P19

Derivatives and hedge accounting

31 Dec 2014, EURm	Fair value		Total nom. amount
	Positive	Negative	
Derivatives held for trading			
Interest rate derivatives			
Interest rate swaps	2,315	2,423	138,982
FRAs	57	66	63,168
Futures and forwards	0	0	1,866
Options	—	5	11,097
Other	5	0	4,258
Total	2,377	2,494	219,371
Equity derivatives			
Equity swaps	57	215	272
Futures and forwards	0	5	97
Options	277	230	2,648
Total	334	450	3,017
Foreign exchange derivatives			
Currency and interest rate swaps	534	477	17,745
Currency forwards	424	22	17,581
Total	958	499	35,326
Credit derivatives	8	—	256
Other derivatives	5	—	1,772
Total derivatives held for trading	3,682	3,443	259,742
Derivatives used for hedge accounting			
Interest rate derivatives	1,764	404	42,020
Equity derivatives	—	5	55
Foreign exchange derivatives	535	801	9,872
Total derivatives used for hedge accounting	2,299	1,210	51,947
– of which fair value hedges ¹	1,747	360	46,635
– of which cash flow hedges ¹	552	850	32,130
Total derivatives	5,981	4,653	311,689

1) Some cross currency interest rate swaps and interest rate swaps are used both as fair value hedges and cash flow hedges and the nominal amounts are then reported on both lines.

P19

Derivatives and Hedge accounting, cont.

31 Dec 2013, EURm	Fair value		Total nom. amount
	Positive	Negative	
Derivatives held for trading			
Interest rate derivatives			
Interest rate swaps	1,656	1,735	140,226
FRAs	14	18	50,444
Futures and forwards	1	0	2,586
Options	6	6	4,282
Other	1	0	1,129
Total	1,678	1,759	198,667
Equity derivatives			
Equity swaps	82	142	224
Futures and forwards	2	1	14
Options	151	123	2,796
Total	235	266	3,034
Foreign exchange derivatives			
Currency and interest rate swaps	530	549	12,617
Currency forwards	82	40	15,064
Total	612	589	27,681
Credit derivatives	0	—	1
Other derivatives	6	0	1,916
Total derivatives held for trading	2,531	2,614	231,299
Derivatives used for hedge accounting			
Interest rate derivatives	1,311	319	39,161
Foreign exchange derivatives	377	694	17,880
Total derivatives used for hedge accounting	1,688	1,013	57,041
– of which fair value hedges ¹	1,288	291	47,587
– of which cash flow hedges ¹	358	700	24,316
– of which net investment hedges	42	22	9,455
Total derivatives	4,219	3,627	288,340

1) Some cross currency interest rate swaps and interest rate swaps are used both as fair value hedges and cash flow hedges and the nominal amounts are then reported on both lines.

P20 Fair value changes of the hedged items in portfolio hedge of interest rate risk

The carrying amount at end of year represents accumulated changes in the fair value for those repricing time periods in which the hedged item is an asset respectively a liability. When the hedged item is an asset, the change in the fair value of the hedged item is presented within assets and when the hedged item is a liability, the change is presented as a liability.

P21 Investments in group undertakings

EURm	31 Dec 2014	31 Dec 2013
Acquisition value at beginning of year	18,347	18,279
Acquisitions/capital contributions during the year	56	58
Revaluations under hedge accounting	-425	—
IFRS 2 expenses ¹	9	10
Sales during the year	-376	—
Acquisition value at end of year	17,611	18,347
Accumulated impairment charges at beginning of year	-624	-620
Accumulated impairment charges on group undertakings sold during the year	14	—
Impairment charges during the year	-15	-4
Accumulated impairment charges at end of year	-625	-624
Total	16,986	17,723
– of which listed shares	—	—

1) Allocation of IFRS 2 expenses for LTIP 2011 and 2012 related to the group undertakings.

P21 Investments in group undertakings, cont.
Specification

This specification includes all directly owned group undertakings and major group undertakings to the directly owned companies.

31 Dec 2014	Number of shares	Carrying amount 2014, EURm	Carrying amount 2013, EURm	Voting power of holding %	Domicile	Registration number
Nordea Bank Finland Plc	1,030,800,000	5,962	5,959	100.0	Helsinki	1680235-8
Nordea Finance Finland Ltd				100.0	Helsinki	0112305-3
Nordea Bank Danmark A/S	50,000,000	4,024	4,010	100.0	Copenhagen	13522197
Nordea Finans Danmark A/S				100.0	Høje Taastrup	89805910
Nordea Kredit Realkreditaktieselskab				100.0	Copenhagen	15134275
Fionia Asset Company A/S				100.0	Copenhagen	31934745
Nordea Bank Norge ASA	551,358,576	2,428	2,733	100.0	Oslo	911044110
Nordea Eiendomskreditt AS				100.0	Oslo	971227222
Nordea Finans Norge AS				100.0	Oslo	924507500
Privatmegleren AS				100.0	Oslo	986386661
Nordea Bank Polska S.A.¹	55,061,403	—	343	99.2	Gdynia	KRS0000021828
OOO Promyshlennaya Companiya Vestkon	4,601,942,680 ²	659	659	100.0	Moscow	1027700034185
JSC Nordea Bank				100.0 ³	Moscow	1027739436955
Nordea Life Holding AB	1,000	719	719	100.0	Stockholm	556742-3305
Nordea Liv & Pension, Livforsikringselskab A/S				100.0	Ballerup	24260577
Nordea Liv Holding Norge AS				100.0	Bergen	984739303
Livforsikringselskapet Nordea Liv Norge AS				100.0	Bergen	959922659
Nordea Livförsäkring Sverige AB (publ)				100.0	Stockholm	516401-8508
Nordea Life Assurance Finland Ltd				100.0	Helsinki	0927072-8

P21

Investments in group undertakings, cont.

31 Dec 2014	Number of shares	Carrying amount 2014, EURm	Carrying amount 2013, EURm	Voting power of holding %	Domicile	Registration number
Nordea Funds Ltd	3,350	174	174	100.0	Helsinki	1737785-9
Nordea Bank S.A.	999,999	455	455	100.0	Luxembourg	B-14157
Nordea Hypotek AB (publ) ⁴	100,000	1,874	1,998	100.0	Stockholm	556091-5448
Nordea Nordic Baltic 1 AB	15,000	242	242	100.0	Stockholm	556020-4694
Nordea Finans Sverige AB (publ) ⁴	1,000,000	104	124	100.0	Stockholm	556021-1475
Nordea Investment Management AB	12,600	231	237	100.0	Stockholm	556060-2301
Nordea Ejendomsinvestering A/S	1,000	29	29	100.0	Glostrup	26640172
Nordea IT Polska S.p. z.o.o.	100	30	40	100.0	Warsaw	0000429783
PK Properties Int'l Corp	100,000	0	0	100.0	Atlanta, USA	601624718
Nordea Hästen Fastighetsförvaltning AB	1,000	0	0	100.0	Stockholm	556653-6800
Nordea Putten Fastighetsförvaltning AB	1,000	0	0	100.0	Stockholm	556653-5257
Nordea do Brasil Representações Ltda	1,162,149	0	0	100.0	Sao Paulo, Brasil	51.696.268/0001-40
Nordic Baltic Holding (NBH) AB ⁵	1,000	0	0	100.0	Stockholm	556592-7950
Nordea Fastigheter AB ⁵	3,380,000	1	1	100.0	Stockholm	556021-4917
Promano Est OÜ	1	10	—	100.0	Tallinn, Estonia	11681888
Uus-Sadama 11 OÜ	1	0	—	100.0	Tallinn, Estonia	11954914
SIA Promano Lat	21,096	14	—	100.0	Riga, Latvia	40103235197
SIA Realm	7,034	7	—	100.0	Riga, Latvia	50103278681
SIA Lidosta RE	765	1	—	100.0	Riga, Latvia	40103424424
SIA Trioleta	2,786	4	—	99.9	Riga, Latvia	40103565264
Promano Lit UAB	34,528	11	—	100.0	Vilnius, Lithuania	302423219
UAB Recurso	15,000	5	—	100.0	Vilnius, Lithuania	302784511
UAB Inrec	6,900	2	—	100.0	Vilnius, Lithuania	302996806
Total		16,986	17,723			

1) Sold in April 2014.

2) Nominal value expressed in RUB, representing Nordea's participation in Vestkon.

3) Combined ownership, Nordea Bank AB (publ) directly 7.2% and indirectly 92.8% through OOO Promyshlennaya Kompaniya Vestkon.

4) Credit institutions as defined in the Swedish Annual Account Act for Credit Institutions and Securities Companies (1995:1559).

5) Dormant.

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Investments in associated undertakings

EURm	31 Dec 2014	31 Dec 2013
Acquisition value at beginning of year	7	8
Acquisitions during the year	—	0
Sales during the year	—	-1
Acquisition value at end of year	7	7
– of which listed shares	—	—

P23

Intangible assets

EURm	31 Dec 2014	31 Dec 2013
Goodwill allocated to cash generating units		
Retail Banking	305	354
Goodwill, total	305	354
Computer software	416	367
Other intangible assets	37	8
Other intangible assets, total	453	375
Intangible assets, total	758	729
Movements in goodwill		
Acquisition value at beginning of year	1,059	1,059
Acquisition value at end of year	1,059	1,059
Accumulated amortisation at beginning of year	-705	-656
Amortisation according to plan for the year	-49	-49
Accumulated amortisation at end of year	-754	-705
Total	305	354
Movements in computer software		
Acquisition value at beginning of year	465	340
Acquisitions during the year	217	135
Disposals during the year	—	-2
Reclassifications	—	-8
Acquisition value at end of year	682	465
Accumulated amortisation at beginning of year	-89	-68
Amortisation according to plan for the year	-31	-23
Accumulated amortisation on disposals	—	2
Accumulated amortisation at end of year	-120	-89
Accumulated impairment charges at beginning of year	-9	-8
Impairment charges during the year	-142	-9
Reclassifications	5	8
Accumulated impairment charges at end of year	-146	-9
Total	416	367
Movements in other intangible assets		
Acquisition value at beginning of year	48	42
Acquisitions during the year	41	8
Disposals during the year	—	-2
Acquisition value at end of year	89	48
Accumulated amortisation at beginning of year	-40	-39
Amortisation according to plan for the year	-11	-4
Accumulated amortisation on disposals during the year	—	2
Translation differences	—	1
Accumulated amortisation at end of year	-51	-40
Impairment charges during the year	-1	—
Accumulated impairment charges at end of year	-1	—
Total	37	8

Impairment test

A cash generating unit, defined as the operating segment, is the basis for the goodwill impairment test. See Note G20 "Intangible assets" and Note G1 "Accounting policies" section 4 for more information. See also Note G20 "Intangible assets" for more information on the impairment of computer software.

P24**Properties and equipment**

EURm	31 Dec 2014	31 Dec 2013
Properties and equipment	119	118
– of which buildings for own use	0	0
Total	119	118
Movements in equipment		
Acquisition value at beginning of year	268	270
Acquisitions during the year	30	28
Sales/disposals during the year	–32	–30
Acquisition value at end of year	266	268
Accumulated depreciation at beginning of year	–150	–149
Accumulated depreciation on sales/disposals during the year	30	23
Depreciations according to plan for the year	–27	–24
Accumulated depreciation at end of year	–147	–150
Total	119	118

Operating leases

Nordea has entered into operating lease agreements for premises and office equipment. See also Note G1 "Accounting policies", section 15.

Leasing expenses during the year, EURm	31 Dec 2014	31 Dec 2013
Leasing expenses during the year	–117	–113
– of which minimum lease payments	–117	–113
Leasing income during the year regarding sublease payments	35	39

Future minimum lease payments under non-cancellable operating leases amounted to and are distributed as follows:

EURm	31 Dec 2014
2015	74
2016	62
2017	48
2018	38
2019	30
Later years	253
Total	505

Total sublease payments expected to be received under non-cancellable subleases amounts to EUR 252m. EUR 237m of the subleases are towards group undertakings.

P25**Other assets**

EURm	31 Dec 2014	31 Dec 2013
Claims on securities settlement proceeds	276	484
Anticipated dividends from group undertakings	1,109	742
Group contributions	644	459
Other	1,698	848
Total	3,727	2,533

P26 Prepaid expenses and accrued income		
EURm	31 Dec 2014	31 Dec 2013
Accrued interest income	115	396
Other accrued income	81	170
Prepaid expenses	688	725
Total	884	1,291

P27 Deposits by credit institutions		
EURm	31 Dec 2014	31 Dec 2013
Central banks	2,418	3,707
Banks	24,258	13,095
Other credit institutions	776	698
Total	27,452	17,500

P28 Deposits and borrowings from the public		
EURm	31 Dec 2014	31 Dec 2013
Deposits	48,176	46,150
Borrowings	1,191	1,381
Total	49,367	47,531

Deposits are defined as funds in deposit accounts covered by the government deposit guarantee but also including amounts in excess of the individual amount limits. Individual pension savings (IPS) are also included.

P32 Provisions						
EURm					31 Dec 2014	31 Dec 2013
Provision for restructuring costs					42	36
Transfer risk, off-balance					1	2
Guarantees					162	139
Other					1	7
Total					206	184
	Restructuring	Transfer risk	Guarantees	Other	Total	
At beginning of year	36	2	139	7	184	
New provisions made	60	—	77	—	137	
Provisions utilised	-18	-1	-4	-6	-29	
Reversals	-18	—	-50	—	-68	
Reclassifications	-16	—	—	—	-16	
Translation differences	-2	0	0	0	-2	
At end of year	42	1	162	1	206	

Provision for restructuring costs amounts to EUR 42m and covers termination benefits (EUR 34m) and other provisions mainly related to redundant premises (EUR 8m). Provision for transfer risk is related to off-balance sheet items. Transfer risk relating to loans is included in the item Allowances for collectively assessed

P29 Debt securities in issue		
EURm	31 Dec 2014	31 Dec 2013
Certificates of deposit	55	—
Commercial papers	29,246	28,853
Bond loans	33,908	34,029
Other	71	79
Total	63,280	62,961

P30 Other liabilities		
EURm	31 Dec 2014	31 Dec 2013
Liabilities on securities settlement proceeds	215	202
Sold, not held, securities	285	244
Accounts payable	22	29
Other	2,373	3,698
Total	2,895	4,173

P31 Accrued expenses and prepaid income		
EURm	31 Dec 2014	31 Dec 2013
Accrued interest	13	544
Other accrued expenses	443	391
Prepaid income	186	215
Total	642	1,150

impaired loans in Note P15 "Loans and impairment". Provision for transfer risk is depending on the volume of business with different countries. Loan loss provisions for guarantees amounts to EUR 162m, of which EUR 161m covers the guarantee in favour of Nordea Bank Finland Plc.

P33 Retirement benefit obligations

Pension provisions

The pension liabilities of Nordea Bank AB (publ) are mainly covered by allocations to its pension foundation.

The provisions on the balance sheet pertain to former employees of Postgirot Bank and pension obligations in foreign branches. EUR 124m (EUR 133m) of the provisions are covered by "Tryggandelagen".

A small percentage of the pension obligations are covered by insurance policies.

The following figures are mainly based on calculations in accordance with Swedish rules ("Tryggandelagen").

The pension obligations in the foreign branches are calculated in accordance with local accounting requirements.

Specification of amounts recognised on the balance sheet

EURm	31 Dec 2014	31 Dec 2013
Present value of commitments relating to in whole or in part funded pension plans	-1,155	-1,202
Fair value at the end of the period relating to specifically separated assets	1,384	1,303
Surplus in the pension foundation	229	101
Present value of commitments relating to unfunded pension plans	-171	-166
Unrecognised surplus in the pension foundation	-229	-101
Reported liability net on the balance sheet	-171	-166

Movements in the liability recognised on balance sheet as pension

EURm	31 Dec 2014	31 Dec 2013
Balance at 1 Jan recognised as pension commitments	166	182
Pensions paid related to former employees of Postgirot Bank	-7	-7
Actuarial pension calculations	12	0
Effect of exchange rate changes	0	-9
Balance at 31 Dec	171	166

Specification of cost and income in respect of pensions

EURm	2014	2013
Pensions paid related to former employees of Postgirot Bank	-7	-7
Pensions paid covered by the pension foundation	-61	-67
Actuarial pension calculation	-5	7
Defined benefit plans	-73	-67
Defined contribution plans	-61	-59
Pension costs¹	-134	-126
Return on specifically separated assets, %	12.4	3.0

1) See Note P8 "Staff costs".

Actual value of holdings in pension foundations

EURm	31 Dec 2014	31 Dec 2013
Shares	353	326
Interest-bearing securities	1,004	955
Other assets	27	22
Total	1,384	1,303

P33 Retirement benefit obligations, cont.

Main assumptions for defined benefit obligations

	2014	2013
Discount rate	2.2%	2.2%
The calculation is based on pay and pension levels on the accounting date	Yes	Yes

Next year's expected payment regarding defined benefit plans amounts to EUR 66m.

P34 Subordinated liabilities

EURm	31 Dec 2014	31 Dec 2013
Dated subordinated debenture loans	4,435	4,107
Hybrid capital loans	3,293	1,864
Total	7,728	5,971

These debenture loans are subordinated to other liabilities. Dated debenture loans entitle the lender to payment before undated subordinated loans and hybrid capital loans. Within each respective category, the loans entitle lenders to equal payment rights.

At 31 December 2014 five loans – with terms specified below – exceeded 10% of the total outstanding volume dated subordinated loans.

EURm	Nominal value	Carrying amount	Interest rate (coupon)
Dated loan ¹	1,000	997	Fixed
Dated loan ²	750	747	Fixed
Dated loan ³	750	748	Fixed
Dated loan ⁴	1,030	1,023	Fixed
Dated loan ⁵	824	816	Fixed

1) Maturity date 26 March 2020.

2) Maturity date 29 March 2021.

3) Call date 15 February 2017, maturity date 15 February 2022.

4) Maturity date 13 May 2021.

5) Maturity date 21 September 2022.

P35 Untaxed reserves

EURm	31 Dec 2014	31 Dec 2013
Accumulated excess depreciation, equipment	4	3

P36 Assets pledged as security for own liabilities

EURm	31 Dec 2014	31 Dec 2013
Assets pledged for own liabilities		
Securities etc ¹	3,946	2,454
Total	3,946	2,454

The above pledges pertain to the following liabilities

Deposits by credit institutions	2,508	1,788
Deposits and borrowings from the public	268	2,380
Total	2,776	4,168

1) Relates only to securities recognised on the balance sheet. Securities borrowed or bought under reverse repurchase agreements are not recognised on the balance sheet and thus not included in the amount. Such transactions are disclosed in Note P45 "Transferred assets and obtained collaterals" which are permitted to be sold or repledged.

Assets pledged for own liabilities contain securities pledged as security in repurchase agreement and in securities lending. The transactions are conducted under standard agreements employed by financial markets participants. Counterparts in those transactions are credit institutions and the public. The transactions are typically short term with maturity within three months.

P37 Other assets pledged

Other assets pledged are mainly related to securities which included interest-bearing securities pledged as securities for payment settlements within the central banks and clearing institutions EUR 9,238m (EUR 7,033m). The terms and conditions require day to day securities and relate to liquidity intraday/overnight. Collateral pledged on behalf of other items other than the company's own liabilities, e.g. on behalf of a third party or on behalf of the company's own contingent liabilities are also accounted for under this item.

P38 Contingent liabilities

EURm	31 Dec 2014	31 Dec 2013
Guarantees		
– Loan guarantees	70,024	69,815
– Other guarantees	918	570
Other contingent liabilities	161	0
Total	71,103	70,385

In the normal business Nordea issues various forms of guarantees in favour of the bank's customers. Loan guarantees are given for customers to guarantee obligations in other credit- and pension institutions. Other guarantees consist mainly of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export related guarantees.

Nordea Bank AB (publ) has issued a guarantee in favour of its Russian subsidiary JSC Nordea Bank where Nordea Bank AB (publ) guarantees specified exposures in JSC Nordea Bank. At 31 December 2014 the guarantees cover exposures amounting to EUR 4bn. The guarantees are priced at arm's length. All internal transactions under the guarantees are eliminated in the consolidated accounts.

Nordea Bank AB (publ) has issued a guarantee of maximum EUR 60bn in favour of Nordea Bank Finland Plc where Nordea Bank AB (publ) guarantees the majority of the exposures in the exposure class IRB corporate in Nordea Bank Finland Plc. The guarantee covers EUR 11bn of corporate loans, guarantees, documentary credits and loan commitments. In addition, EUR 6bn of derivatives are covered by the guarantee as of 31 December 2014. The maximum amount of derivatives guaranteed is EUR 10bn. The guarantee increased the REA by EUR 11bn. The guarantee will generate commission income, while the losses recognised on the guaranteed exposures will be transferred to Nordea Bank AB (publ). The guarantee is priced at arm's length, including expected credit losses and the cost of capital required by the guarantee. All internal transactions in the guarantee are eliminated in the consolidated accounts.

Nordea Bank AB (publ) has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against them in their capacity as managing directors or board member in group undertakings to Nordea Bank AB (publ).

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age.

Legal proceedings

Within the framework of the normal business operations, the company faces a number of claims in civil lawsuits and disputes, most of which involve relatively limited amounts. Presently, none of the current disputes are considered likely to have any significant adverse effect on the company or its financial position.

P39 Commitments

EURm	31 Dec 2014	31 Dec 2013
Credit commitments	9,710	13,868
Unutilised portion of approved overdraft facilities	14,114	12,845
Total	23,824	26,713

For information about derivatives see Note P19 "Derivatives and hedge accounting".

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Capital adequacy

Table A2 Transitional own funds

For information of the capital adequacy regulations see Note G38 "Capital adequacy".

	(A) amount at disclosure date, EURm	(C) amounts subject to pre-regulation (eu) no 575/2013 treatment or prescribed residual amount of regulation (eu) no 575/2013
Common Equity Tier 1 capital: instruments and reserves		
1 Capital instruments and the related share premium accounts	5,130	—
of which: Share capital	4,050	—
2 Retained earnings	13,111	—
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-5	—
5a Independently reviewed interim profits net of any foreseeable charge or dividend	-76	—
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	18,160	—
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7 Additional value adjustments (negative amount)	-7	—
8 Intangible assets (net of related tax liability) (negative amount)	-758	—
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	—
11 Fair value reserves related to gains or losses on cash flow hedges	36	—
12 Negative amounts resulting from the calculation of expected loss amounts	0	—
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-58	—
15 Defined-benefit pension fund assets (negative amount)	0	—
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-1	—
25 of which: deferred tax assets arising from temporary differences	0	—
25b Foreseeable tax charges relating to CET1 items (negative amount)	0	—
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-208	—
Of which: ...filter for unrealised loss 1	0	3
Of which: ...filter for unrealised gain 1	-208	0
28 Total regulatory adjustments to Common equity Tier 1 (CET1)	-996	—
29 Common Equity Tier 1 (CET1) capital	17,164	—
Additional Tier 1 (AT1) capital: instruments		
30 Capital instruments and the related share premium accounts	1,224	—
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	1,576	447
36 Additional Tier 1 (AT1) capital before regulatory adjustments	2,800	—
Additional Tier 1 (AT1) capital: regulatory adjustments		
37 Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	-32	—
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	-32	—
44 Additional Tier 1 (AT1) capital	2,768	—
45 Tier 1 capital (T1 = CET1 + AT1)	19,932	—
Tier 2 (T2) capital: instruments and provisions		
46 Capital instruments and the related share premium accounts	4,331	—
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	400	-400
50 Credit risk adjustments	55	—
51 Tier 2 (T2) capital before regulatory adjustments	4,785	0
Tier 2 (T2) capital: regulatory adjustments		
52 Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-43	—
55 Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-505	—

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Capital adequacy, cont.

57	Total regulatory adjustments to Tier 2 (T2) capital	-549	—
58	Tier 2 (T2) capital	4,236	—
59	Total capital (TC = T1 + T2)	24,168	—
60	Total risk weighted assets	78,910	—
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	21.8%	—
62	Tier 1 (as a percentage of risk exposure amount)	25.3%	—
63	Total capital (as a percentage of risk exposure amount)	30.6%	—
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	2.5%	—
65	of which: capital conservation buffer requirement	2.5%	—
66	of which: countercyclical buffer requirement	0.0%	—
67	of which: systemic risk buffer requirement	0.0%	—
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.0%	—
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	17.3%	—
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	41	—
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	742	—
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	64	—
Applicable caps on the inclusion of provisions in Tier 2			
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	33,429	—
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	201	—
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	0	—
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	—
82	Current cap on AT1 instruments subject to phase out arrangements	1,576	—
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-447	—
84	Current cap on T2 instruments subject to phase out arrangements	400	—
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-47	—

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Capital adequacy, cont.

Minimum capital requirement and REA

EURm	31 Dec 2014		31 Dec 2013	
	Minimum capital requirement	REA	Minimum capital requirement	REA
Credit risk	5,759	71,986	6,296	78,700
– of which counterparty credit risk	100	1,249	65	809
IRB	2,674	33,429	3,428	42,854
– of which corporate	2,130	26,622	3,100	38,749
– of which advanced	1,461	18,257	—	—
– of which foundation	669	8,365	3,100	38,749
– of which institutions	302	3,777	105	1,318
– of which retail	148	1,854	180	2,254
– of which secured by immovable property collateral	6	78	11	140
– of which other retail	132	1,647	156	1,953
– of which SME	10	129	13	161
– of which other	94	1,176	43	533
Standardised	3,085	38,557	2,868	35,846
– of which central governments or central banks	14	174	2	26
– of which regional governments or local authorities	1	8	—	—
– of which public sector entities	—	—	—	—
– of which multilateral development banks	—	—	—	—
– of which international organisations	—	—	—	—
– of which institutions	1,319	16,481	1,291	16,126
– of which corporate	57	718	53	664
– of which retail	28	345	0	1
– of which secured by mortgages on immovable property	202	2,530	101	1,258
– of which in default	5	60	0	1
– of which associated with particularly high risk	—	—	—	—
– of which covered bonds	0	0	0	6
– of which institutions and corporates with a short-term credit assessment	—	—	—	—
– of which collective investments undertakings (CIU)	—	—	—	—
– of which equity	1,451	18,139	—	—
– of which other items	8	102	1,421	17,764
Credit Value Adjustment Risk	14	172	—	—
Market risk	218	2,724	128	1,596
– of which trading book, Internal Approach	42	524	34	429
– of which trading book, Standardised Approach	2	26	5	59
– of which banking book, Standardised Approach	174	2,174	89	1,108
Operational risk	322	4,028	250	3,121
Standardised	322	4,028	250	3,121
Sub total	6,313	78,910	6,674	83,417
Adjustment for Basel I floor				
Additional capital requirement according to Basel I floor	0	0	0	0
Total	6,313	78,910	6,674	83,417

Leverage ratio¹

	31 Dec 2014
Tier 1 capital, transitional definition, EURm ²	20,047
Leverage ratio exposure, EURm	225,148
Leverage ratio, percentage	8.9

1) Leverage ratio and volumes presented is based on three month average according to local FSA reporting process.

2) Including profit of the period.

More Capital Adequacy information can be found in the section "Risk, Liquidity and Capital Management".

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Capital adequacy, cont.

Capital requirements for market risk, 31 December 2014

EURm	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other ¹	2	0	—	—	—	—	2	0
Equity risk	130	10	26	2	—	—	156	12
Foreign exchange risk	25	2	—	—	2,174	174	2,199	176
Commodity risk	—	—	—	—	—	—	—	—
Settlement risk	—	—	0	0	—	—	0	0
Diversification effect	-2	0	—	—	—	—	-2	0
Stressed Value-at-Risk	369	30	—	—	—	—	369	30
Incremental Risk Measure	0	0	—	—	—	—	0	0
Comprehensive Risk Measure	—	—	—	—	—	—	—	—
Total	524	42	26	2	2,174	174	2,724	218

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.

Table A3-A5 include disclosure of capital instruments' main features in accordance with §6.4 in FFFS 2014:18 and using the template in Annex II in article 3 in Commission implementing regulation (EU) No 1423/2013. Template items are excluded if not applicable.

Table A3 - Capital main features template – CET 1

Common equity Tier 1 capital

1	Issuer	Nordea Bank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	SE0000427361
3	Governing law(s) of the instrument	Swedish
	<i>Regulatory treatment</i>	
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Share capital as published in Regulation (EU) No 575/2013 article 28
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 4,050m
9	Nominal amount of instrument	EUR 4,049,951,919
10	Accounting classification	Shareholders' equity
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
	<i>Coupons / dividends</i>	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Additional Tier 1
36	Non-compliant transitioned features	No

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Capital adequacy, cont.

Table A4 - Capital instruments' main features – AT1

Additional Tier 1 instrument

1	Issuer	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS0200688256	W5795#AA7	US65557AAB35/ USW5816FCM42	W5795#AB5	XS0453319039	US65557CAM55/ US65557DAM39	US65557CAN39/ US65557DAL55
3	Governing law(s) of the instrument	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by laws of the State of New York, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law
<i>Regulatory treatment</i>								
4	Transitional CRR rules	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1	Additional Tier 1
5	Post-transitional CRR rules	Tier 2	Ineligible	Ineligible	Ineligible	Ineligible	Additional Tier 1	Additional Tier 1
6	Eligible at solo/(sub-) consolidated/solo & (sub-) consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 (grandfathered) as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 484.4	Additional Tier 1 as published in Regulation (EU) No 575/2013 article 484.4
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 500m	EUR 138m	EUR 494m	EUR 69m	EUR 823m	EUR 816m	EUR 408m
9	Nominal amount of instrument	EUR 500m	JPY 20,000m	USD 600m	JPY 10,000m	USD 1,000m	USD 1,000m	USD 500m
9a	Issue price	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent	100 per cent
9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	17-Sep-04	4-Mar-05	20-Apr-05	12-Oct-05	25-Sep-09	23-Sep-14	23-Sep-14
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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Capital adequacy, cont.

15	Optional call date, contingent call dates, and redemption amount	17-Sep-09 In addition tax/ regulatory call 100 per cent of nominal amount	4-Mar-35 In addition tax/ regulatory call 100 per cent of nominal amount	20-Apr-15 In addition tax/ regulatory call 100 per cent of nominal amount	12-Oct-35 In addition tax/ regulatory call 100 per cent of nominal amount	25-Mar-15 In addition tax/ regulatory call 100 per cent of nominal amount	23-Sep-19 In addition tax/ regulatory call 100 per cent of nominal amount	23-Sep-24 In addition tax/ regulatory call 100 per cent of nominal amount
16	Subsequent call dates, if applicable	17-Mar and 17-Sep each year after first call date	4-Mar and 4-Sep each year after first call date	20-Jan, 20-Apr, 20-Jul and 20-Oct each year after first call date	12-Apr and 12-Oct each year after first call date	25-Mar and 25-Sep each year after first call date	23-Mar and 23-Sep each year after first call date	23-Mar and 23-Sep each year after first call date
<i>Coupons / dividends</i>								
17	Fixed or floating dividend/coupon	Floating	Fixed to floating	Fixed to floating	Fixed to floating	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Floating 10-year CMS +0.05 per cent per annum subject to 8 per cent cap	Fixed USD 3.75 per cent per annum, until first call date, thereaf- ter floating 6-month JPY deposit +1.22 per cent per annum	Fixed 5.424 per cent per annum, until first call date, thereafter floating 3-month LIBOR +1.5875 per cent per annum	Fixed USD 3.84 per cent per annum, until first call date, thereaf- ter floating 6-month JPY deposit +1.40 per cent per annum	Fixed 8.375 per cent per annum until first call date, thereafter 5-year US Treas- ury +5.985 per cent per annum, until 25 March 2020, thereafter 5-year US Treas- ury +8.9775 per cent per annum	Fixed 5.50 per cent per annum, until first call date, thereafter fixed 5-year mid swap +3.563 per cent per annum	Fixed 6.125 per cent per annum, until first call date, thereafter fixed 5-year mid swap +3.388 per cent per annum
19	Existence of a dividend stopper	Yes	Yes	Yes	Yes	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary Dividend stopper	Partially discretionary Dividend stopper	Partially discretionary Dividend stopper	Partially discretionary Dividend stopper	Partially discretionary Dividend stopper	Fully discretionary	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary	Partially discretionary	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	Yes	Yes	Yes	Yes	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
30	Write-down features	Yes	Yes	Yes	Yes	Yes	Yes	Yes
31	If write-down, write-down trigger (s)	To avoid liquidation	To avoid liquidation	To avoid liquidation	To avoid liquidation	To avoid or reme- dy any breach of Applicable Banking Regulations, shareholders resolution	Group CET1 ratio <8 per cent Issuer CET1 ratio <5.125 per cent	Group CET1 ratio <8 per cent Issuer CET1 ratio <5.125 per cent
32	If write-down, full or partial	Full or Partially	Full or Partially	Full or Partially	Full or Partially	Full or Partially	Full or Partially	Full or Partially
33	If write-down, permanent or temporary	Temporary	Temporary	Temporary	Temporary	Temporary	Temporary	Temporary

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Capital adequacy, cont.

34	If temporary write-down, description of write-up mechanism	Shareholders resolution regarding reconversion and reinstatement made out of available distributable funds	Shareholders resolution regarding reconversion and reinstatement, made out of available distribution funds	Shareholders resolution regarding reconversion and reinstatement made out of available distributable funds	Shareholders resolution regarding reconversion and reinstatement, made out of available distribution funds	Shareholders resolution regarding reconversion and reinstatement, made out of available distribution funds	Fully discretionary, if a positive net profit of both Issuer and Group	Fully discretionary, if a positive net profit of both Issuer and Group
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
36	Non-compliant transitioned features	Yes	Yes	Yes	Yes	Yes	No	No
37	If yes, specify non-compliant features	No specified trigger level, dividend stopper	No specified trigger level, step-up, dividend stopper	No specified trigger level, step-up, dividend stopper	No specified trigger level, step-up, dividend stopper	No specified trigger level, step-up, dividend pusher	N/A	N/A

Table A5- Capital instruments' main features - T2

Tier 2 instrument						
1	Issuer	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)	Nordea Bank AB (publ)
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS0497179035	XS0544654162	US65557FAA49/ US65557HAA05	XS0743689993	US65557FAD87/ US65557HAD44
3	Governing law(s) of the instrument	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by the laws of the State of New York, except for the subordination provisions which are governed by Swedish law	Governed by English law, except for the subordination provisions which are governed by Swedish law	Governed by the laws of the State of New York, except for the subordination provisions which are governed by Swedish law
<i>Regulatory treatment</i>						
4	Transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Tier 2	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo/ (sub-)consolidated/solo & (sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63	Tier 2 as published in Regulation (EU) No 575/2013 article 63
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 997m	EUR 747m	EUR 1,023m	EUR 748m	EUR 816m
9	Nominal amount of instrument	EUR 1,000m	EUR 750m	USD 1,250m	EUR 750m	USD 1,000m
9a	Issue price	99.810 per cent	99.699 per cent	99.508 per cent	99.803 per cent	99.364 per cent
9b	Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10	Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost
11	Original date of issuance	26-Mar-10	29-Sep-10	13-May-11	15-Feb-12	21-Sep-12

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Capital adequacy, cont.

12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	26-Mar-20	29-Mar-21	13-May-21	15-Feb-22	21-Sep-22
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates, and redemption amount	Tax/regulatory call 100 per cent of nominal amount	Tax call 100 per cent of nominal amount	Tax call 100 per cent of nominal amount	15-Feb-17 In addition tax call 100 per cent of nominal amount	Tax call/regulatory call, 100 per cent of nominal amount
<i>Coupons / dividends</i>						
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	4.50 %	4.00 %	4.875 %	Fixed 4.625 per cent per annum (equivalent to Euro Swap Rate +3.15 per cent per annum) to call date, thereafter reset fixed rate to Euro Swap Rate +3.15 per cent per annum	4.25 %
19	Existence of a dividend stopper	No	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior debt	Senior debt	Senior debt	Senior debt	Senior debt
36	Non-compliant transitioned features	No	No	No	No	No

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Classification of financial instruments

31 Dec 2014, EURm	Loans and receivables	Held to maturity	Financial assets at fair value through profit or loss			Available for sale	Other financial assets	Non-financial assets	Total
			Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging				
Assets									
Cash and balances with central banks	931	—	—	—	—	—	—	—	931
Treasury bills	—	—	2,427	—	—	2,608	—	—	5,035
Loans to credit institutions	86,259	—	445	0	—	—	—	—	86,704
Loans to the public	34,804	—	5,005	—	—	—	—	—	39,809
Interest-bearing securities	10	112	3,687	—	—	7,512	—	—	11,321
Financial instruments pledged as collateral	—	—	43	—	—	—	—	—	43
Shares	—	—	6,028	33	—	—	—	—	6,061
Derivatives	—	—	3,682	—	2,299	—	—	—	5,981
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1	—	—	—	—	—	—	—	1
Investments in group undertakings	—	—	—	—	—	—	16,986	—	16,986
Investments in associated undertakings	—	—	—	—	—	—	7	—	7
Intangible assets	—	—	—	—	—	—	—	758	758
Property and equipment	—	—	—	—	—	—	—	119	119
Deferred tax assets	—	—	—	—	—	—	—	14	14
Current tax assets	—	—	—	—	—	—	—	50	50
Other assets	786	—	—	10	—	—	—	2,931	3,727
Prepaid expenses and accrued income	803	—	—	—	—	—	—	81	884
Total	123,594	112	21,317	43	2,299	10,120	16,993	3,953	178,431

31 Dec 2014, EURm	Financial liabilities at fair value through profit or loss					Other financial liabilities	Non-financial liabilities	Total
	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging					
Liabilities								
Deposits by credit institutions		2,508	2,026	—	22,918	—	—	27,452
Deposits and borrowings from the public		268	466	—	48,633	—	—	49,367
Debt securities in issue		—	—	—	63,280	—	—	63,280
Derivatives		3,443	—	1,210	—	—	—	4,653
Fair value changes of the hedged items in portfolio hedge of interest rate risk		—	—	—	1,368	—	—	1,368
Current tax liabilities		—	—	—	—	4	—	4
Other liabilities		285	—	—	443	2,167	—	2,895
Accrued expenses and prepaid income		—	—	—	198	444	—	642
Deferred tax liabilities		—	—	—	—	—	0	0
Provisions		—	—	—	—	206	—	206
Retirement benefit liabilities		—	—	—	—	171	—	171
Subordinated liabilities		—	—	—	7,728	—	—	7,728
Total		6,504	2,492	1,210	144,568	2,992	157,766	

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Classification of financial instruments, cont.

31 Dec 2013, EURm	Loans and receivables	Held to maturity	Financial assets at fair value through profit or loss		Derivatives used for hedging	Available for sale	Other financial assets	Non-financial assets	Total
			Held for trading	Designated at fair value through profit or loss					
Assets									
Cash and balances with central banks	45	—	—	—	—	—	—	—	45
Treasury bills	—	17	4,935	—	—	—	—	—	4,952
Loans to credit institutions	80,104	—	271	543	—	—	—	—	80,918
Loans to the public	30,337	—	—	3,818	—	—	—	—	34,155
Interest-bearing securities	—	321	1,981	—	—	8,826	—	—	11,128
Financial instruments pledged as collateral	—	—	737	—	—	—	—	—	737
Shares	—	—	5,321	30	—	—	—	—	5,351
Derivatives	—	—	2,531	—	1,688	—	—	—	4,219
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-11	—	—	—	—	—	—	—	-11
Investments in group undertakings	—	—	—	—	—	—	17,723	—	17,723
Investments in associated undertakings	—	—	—	—	—	—	7	—	7
Intangible assets	—	—	—	—	—	—	—	729	729
Property and equipment	—	—	—	—	—	—	—	118	118
Deferred tax assets	—	—	—	—	—	—	—	28	28
Current tax assets	—	—	—	—	—	—	—	0	0
Other assets	780	—	—	—	—	—	—	1,753	2,533
Prepaid expenses and accrued income	1,121	—	—	—	—	—	—	170	1,291
Total	112,376	338	15,776	4,391	1,688	8,826	17,730	2,798	163,923

31 Dec 2013, EURm	Financial liabilities at fair value through profit or loss		Derivatives used for hedging	Other financial liabilities	Non-financial liabilities	Total
	Held for trading	Designated at fair value through profit or loss				
Liabilities						
Deposits by credit institutions	—	753	—	14,676	—	17,500
Deposits and borrowings from the public	—	—	—	46,623	—	47,531
Debt securities in issue	—	0	—	62,961	—	62,961
Derivatives	—	2,614	—	—	—	3,627
Fair value changes of the hedged items in portfolio hedge of interest rate risk	—	—	—	715	—	715
Current tax liabilities	—	—	—	—	11	11
Other liabilities	—	244	—	2,925	1,004	4,173
Accrued expenses and prepaid income	—	—	—	759	391	1,150
Deferred tax liabilities	—	—	—	—	10	10
Provisions	—	—	—	—	184	184
Retirement benefit liabilities	—	—	—	—	166	166
Subordinated liabilities	—	—	—	5,971	—	5,971
Total	—	3,611	2,979	1,013	134,630	1,766

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Classification of financial instruments, cont.

Loans designated at fair value through profit or loss

EURm	31 Dec 2014	31 Dec 2013
Carrying amount	0	4,361
Maximum exposure to credit risk	0	4,361

Financial assets and liabilities designated at fair value through profit or loss

Changes in fair values of financial liabilities attributable to changes in credit risk

The funding of Markets operations is measured at fair value and classified into the category "Fair value through profit or loss". The funding of Markets is generally of such a short term nature that the effect of changes in own credit risk is not significant.

Comparison of carrying amount and contractual amount to be paid at maturity

2014, EURm	Carrying amount	Amount to be paid at maturity
Financial liabilities designated at fair value through profit or loss	2,492	2,492

2013, EURm	Carrying amount	Amount to be paid at maturity
Financial liabilities designated at fair value through profit or loss	2,979	2,979

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Assets and liabilities at fair value

Fair value of financial assets and liabilities

EURm	31 Dec 2014		31 Dec 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	931	931	45	45
Treasury bills	5,035	5,035	4,952	4,952
Loans	126,514	126,518	115,062	115,062
Interest-bearing securities	11,321	11,322	11,128	11,135
Financial instruments pledged as collateral	43	43	737	737
Shares	6,061	6,061	5,351	5,351
Derivatives	5,981	5,981	4,219	4,219
Other assets	796	796	780	780
Prepaid expenses and accrued income	803	803	1,121	1,121
Total financial assets	157,485	157,490	143,395	143,402

Financial liabilities

Deposits and debt instruments	149,195	149,792	134,678	135,333
Derivatives	4,653	4,653	3,627	3,627
Other liabilities	728	728	3,169	3,169
Accrued expenses and prepaid income	198	198	759	759
Total financial liabilities	154,774	155,371	142,233	142,888

For information about valuation of items measured at fair value on the balance sheet, see Note G1 "Accounting policies" and the section "Determination of fair value for items measured at fair value on the balance sheet" in Note G40 "Assets and liabilities at fair value". For information about valuation of items not measured at fair value on the balance sheet, see the section "Financial assets and liabilities not held at fair value on balance sheet", in Note G40.

P42

Assets and liabilities at fair value, cont.

Assets and liabilities held at fair value on the balance sheet

Categorisation into the fair value hierarchy

31 Dec 2014, EURm	Quoted prices in active markets for the same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Assets at fair value on the balance sheet¹				
Treasury bills	2,814	2,221	—	5,035
Loans to credit institutions	—	445	—	445
Loans to the public	—	5,005	—	5,005
Interest-bearing securities ²	7,229	3,858	155	11,242
Shares	6,032	—	29	6,061
Derivatives	50	5,911	20	5,981
Other assets	—	10	—	10
Total	16,125	17,450	204	33,779
Liabilities at fair value on the balance sheet¹				
Deposits by credit institutions	—	4,534	—	4,534
Deposits and borrowings from the public	—	734	—	734
Derivatives	51	4,590	12	4,653
Other liabilities	185	100	—	285
Total	236	9,958	12	10,206

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

2) Of which EUR 43m relates to the balance sheet item Financial instruments pledged as collateral.

31 Dec 2013, EURm	Quoted prices in active markets for the same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Assets at fair value on the balance sheet¹				
Treasury bills	542	4,393	—	4,935
Loans to credit institutions	—	814	—	814
Loans to the public	—	3,818	—	3,818
Interest-bearing securities ²	11,055	330	159	11,544
Shares	5,326	—	25	5,351
Derivatives	14	4,183	22	4,219
Total	16,937	13,538	206	30,681
Liabilities at fair value on the balance sheet¹				
Deposits by credit institutions	—	2,824	—	2,824
Deposits and borrowings from the public	—	908	—	908
Derivatives	17	3,606	4	3,627
Other liabilities	95	149	—	244
Total	112	7,487	4	7,603

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

2) Of which EUR 737m relates to the balance sheet item Financial instruments pledged as collateral.

For determination of fair values for items measured at fair value on the balance sheet, see Note G40 "Assets and liabilities at fair value".

Transfers between level 1 and 2

During the year, the parent company transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 570m (EUR 223m) from Level 2 to Level 1 of the fair value hierarchy. During 2013 Nordea transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 253m from Level 1 to Level 2. The reason for the transfers from Level 2 to Level 1 was that the instruments have again been

actively traded during the year and reliable quoted prices are obtained in the markets. The reason for the transfers from Level 1 to Level 2 was that the instruments ceased to be actively traded during the year and fair values have now been obtained using valuation techniques with observable market inputs. Transfers between levels are considered to have occurred at the end of the year.

P42

Assets and liabilities at fair value, cont.

Movements in Level 3

2014, EURm	1 Jan 2014	Fair value gains/losses recognised in the income statement during the year				Sales	31 Dec 2014
		Reclassification	Realised	Unrealised			
Interest-bearing securities	159	—	—	—	—	-4	155
Shares	25	—	4	—	—	—	29
Derivatives (net)	18	-3	—	-7	—	—	8

Unrealised gains and losses relates to those assets and liabilities held at the end of the year. No transfers have been made into or out of level 3. Assets and liabilities related to derivatives are presented net.

2013, EURm	1 Jan 2013	Unrealised	Settlements	Net transfers into/ out of level 3	Translation differences	31 Dec 2013
Interest-bearing securities	163	—	-4	—	—	159
Shares	30	—	—	—	-5	25
Derivatives (net)	0	-4	—	22	—	18

Unrealised gains and losses relates to those assets and liabilities held at the end of the year. The parent company has transferred derivatives of EUR 22m from Level 2 into Level 3 during the year. The reason for the transfer from Level 2 to Level 3 was that observable market data was no longer available. Transfers between levels are considered to have occurred at the end of the year. Fair value gains and losses in the income statement during the year are included in "Net result

from items at fair value" (see Note P5). Assets and liabilities related to derivatives are presented net.

The valuation processes for fair value measurements in Level 3

Financial instruments

For information about the valuation processes, see Note G40 "Assets and liabilities at fair value".

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

31 Dec 2014, EURm	Fair value	Valuation techniques	Unobservable input	Range of fair value
Interest-bearing securities				
Credit institutions ¹	155	Discounted cash flows	Credit spread	+/-0
Total	155			+/-0
Shares				
Unlisted shares	29	Net asset value		+/-2
Total	29			+/-2
Derivatives				
Interest rate derivatives	8	Option model	Corrections volatilities	+/-0
Total	8			+/-0

1) 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.

P42

Assets and liabilities at fair value, cont.

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

31 Dec 2013, EURm	Fair value	Valuation techniques	Unobservable input	Range of fair value
Interest-bearing securities				
Credit institutions ¹	159	Discounted cash flows	Credit spread	+/-0
Total	159			+/-0
Shares				
Unlisted shares	25	Net asset value		+/-2
Total	25			+/-2
Derivatives				
Interest rate derivatives	18	Option model	Correlations Volatilities	+/-0
Total	18			+/-0

1) 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.

The tables above shows, for each class of assets and liabilities categorised in Level 3, the fair value, the valuation techniques used to estimate the fair value, significant unobservable inputs used in the valuation techniques and for financial assets and liabilities the fair value sensitivity to changes in key assumptions.

The column "range of fair value" in the tables above shows the sensitivity of the fair values of Level 3 financial instruments to changes in key assumptions. Where the exposure to an unobservable parameter is offset across different instruments then only the net impact is disclosed in the table. The range disclosed are likely to be greater than the true uncertainty in fair value of these instruments, as it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

In order to calculate the sensitivity (range) in fair value of derivatives a range of different modelling approaches are

applied to determine an uncertainty interval around the reported fair value. The different approaches applied target various aspects of derivatives pricing. Two common components of derivative valuation models are volatility of underlying risk factors and correlation between the relevant risk factors. Each of these is addressed by applying different assumptions to input and/or the choice of modelling approach. Besides these common factors a number of asset class specific factors are addressed. These include equity dividend expectations, recovery assumptions for credit derivatives and inflation expectations. The fair values of derivatives are presented as the net of assets and liabilities.

In order to calculate the sensitivity (range) in fair value of shares and interest-bearing securities the fair value was increased and decreased within a range of 10 percentage units which are assessed to be reasonable changes in market movements.

P42

Assets and liabilities at fair value, cont.

Financial assets and liabilities not held at fair value on the balance sheet

31 Dec 2014, EURm	31 Dec 2014		31 Dec 2013		Level in fair value hierarchy
	Carrying amount	Fair value	Carrying amount	Fair value	
Assets not held at fair value on the balance sheet					
Cash and balances with central banks	931	931	45	45	3
Treasury bills ^{1,2}	0	0	17	17	2
Loans	121,063	121,068	110,430	110,430	3
Interest-bearing securities ²	122	123	321	328	1,2
Other assets	786	786	780	780	3
Prepaid expenses and accrued income	803	803	1,121	1,121	3
Total	123,705	123,711	112,714	112,721	
Liabilities not held at fair value on the balance sheet					
Deposits and debt instruments	143,927	144,524	130,946	131,601	3
Other liabilities	443	443	2,925	2,925	3
Accrued expenses and prepaid income	198	198	759	759	3
Total	144,568	145,165	134,630	135,285	

1) The measurement principles follow those for similar instruments that are held at fair value on the balance sheet.

2) The fair value of Treasury bills and Interest-bearing securities is EUR 123m (345m), of which EUR 54m (207m) is categorised in Level 1 and EUR 69m (138m) in Level 2 of the fair value hierarchy.

For more information about measurement of the fair values in the table above, see section "Financial assets and liabilities not held at fair value on the balance sheet" in Note G40 "Assets and liabilities at fair value".

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Financial instruments set off on balance or subject to netting agreements

31 Dec 2014, EURm	Gross recognised financial liabilities ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
Assets							
Derivatives	5,558	-70	5,488	-1,286	—	-2,157	2,045
Reverse repurchase agreements	218	—	218	—	—	—	218
Securities borrowing agreements	5,232	—	5,232	—	-5,232	—	0
Total	11,008	-70	10,938	-1,286	-5,232	-2,157	2,263

31 Dec 2014, EURm	Gross recognised financial liabilities ¹	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
Liabilities							
Derivatives	4,189	-70	4,119	-1,286	—	-363	2,470
Repurchase agreements	43	—	43	—	—	—	43
Securities lending agreements	2,732	—	2,732	—	-2,732	—	0
Total	6,964	-70	6,894	-1,286	-2,732	-363	2,513

1) All amounts are measured at fair value.

2) Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as "Loans to credit institutions" or "Loans to the public". Repurchase agreements and Securities lending agreements are on the balance sheet classified as "Deposits by credit institution" or as "Deposits and borrowings from the public".

31 Dec 2013, EURm	Gross recognised financial liabilities ¹	Gross recognised financial liabilities set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral received	Cash collateral received	
Assets							
Derivatives	3,693	-102	3,591	-1,886	-1	-1,228	476
Reverse repurchase agreements	211	—	211	-211	—	—	0
Securities borrowing agreements	4,354	—	4,354	—	-4,354	—	0
Total	8,258	-102	8,156	-2,097	-4,355	-1,228	476

31 Dec 2013, EURm	Gross recognised financial liabilities ¹	Gross recognised financial assets set off on the balance sheet	Net carrying amount on the balance sheet ²	Amounts not set off but subject to master netting agreements and similar agreements			Net amount
				Financial instruments	Financial collateral pledged	Cash collateral pledged	
Liabilities							
Derivatives	3,074	-102	2,972	-1,886	—	-123	963
Repurchase agreements	693	—	693	-211	-482	—	0
Securities lending agreements	2,979	—	2,979	—	-2,979	—	0
Total	6,746	-102	6,644	-2,097	-3,461	-123	963

1) All amounts are measured at fair value.

2) Reverse repurchase agreements and Securities borrowing agreements are on the balance sheet classified as "Loans to credit institutions" or "Loans to the public". Repurchase agreements and Securities lending agreements are on the balance sheet classified as "Deposits by credit institution" or as "Deposits and borrowings from the public".

For more information about the master netting arrangements and similar agreements see section "Enforceable master netting arrangements and similar agreements" in Note G41 "Financial instruments set off on balance or subject to netting agreements".

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Assets and liabilities in foreign currencies

31 Dec 2014, EURbn	EUR	SEK	DKK	NOK	USD	Other	Total
Total assets	57.2	57.5	2.4	4.5	35.8	21.0	178.4
Total liabilities	36.2	57.9	2.4	4.5	35.8	21.0	157.8

31 Dec 2013, EURbn	EUR	SEK	DKK	NOK	USD	Other	Total
Total assets	47.2	58.1	4.6	4.7	34.6	14.7	163.9
Total liabilities	27.1	58.3	4.6	4.7	34.6	14.7	144.0

P45

Transferred assets and obtained collaterals

Transferred assets that are still recognised on the balance sheet and associated liabilities

All assets transferred and the liabilities associated with these transactions are specified in the following tables. The assets continue to be recognised on the balance sheet since Nordea is still exposed to changes in the fair value of the assets. Therefore, these assets and its associated liabilities are included in the tables below.

EURm	31 Dec 2014	31 Dec 2013
Repurchase agreements		
Treasury bills	43	737
Total	43	737

Liabilities associated with the assets

EURm	31 Dec 2014	31 Dec 2013
Repurchase agreements		
Deposits by credit institutions	43	753
Total	43	753

Obtained collaterals which are permitted to be sold or repledged

Nordea obtains collaterals under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial markets participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under standard terms for most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions. The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements are disclosed below.

EURm	31 Dec 2014	31 Dec 2013
Reverse repurchase agreements		
Received collaterals which can be repledged or sold	214	268
– of which repledged or sold	—	268
Securities borrowing agreements		
Received collaterals which can be repledged or sold	5,232	2,077
– of which repledged or sold	5,232	2,077
Total	5,446	2,345

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Maturity analysis for assets and liabilities

Expected maturity

	31 Dec 2014, EURm			31 Dec 2013, EURm			
	Note	Expected to be recovered or settled:			Expected to be recovered or settled:		
		Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and balances with central banks		931	—	931	45	—	45
Treasury bills	P14	—	5,035	5,035	—	4,952	4,952
Loans to credit institutions	P15	62,067	24,637	86,704	64,337	16,581	80,918
Loans to the public	P15	34,829	4,980	39,809	30,308	3,847	34,155
Interest-bearing securities	P16	3,849	7,472	11,321	2,237	8,891	11,128
Financial instruments pledged as collateral	P17	43	—	43	737	—	737
Shares	P18	6,028	33	6,061	5,321	30	5,351
Derivatives	P19	1,520	4,461	5,981	744	3,475	4,219
Fair value changes of the hedged items in portfolio hedge of interest rate risk	P20	—	1	1	–2	–9	–11
Investments in group undertakings	P21	30	16,956	16,986	—	17,723	17,723
Investments in associated undertakings	P22	—	7	7	—	7	7
Intangible assets	P23	—	758	758	—	729	729
Property and equipment	P24	0	119	119	—	118	118
Deferred tax assets	P13	11	3	14	19	9	28
Current tax assets		50	—	50	0	—	0
Other assets	P25	3,727	—	3,727	2,533	—	2,533
Prepaid expenses and accrued income	P26	496	388	884	850	441	1,291
Total assets		113,581	64,850	178,431	107,129	56,794	163,923
Deposits by credit institutions	P27	15,595	11,857	27,452	13,356	4,144	17,500
Deposits and borrowings from the public	P28	48,948	419	49,367	47,412	119	47,531
Debt securities in issue	P29	33,755	29,525	63,280	35,606	27,355	62,961
Derivatives	P19	1,023	3,630	4,653	763	2,864	3,627
Fair value changes of the hedged items in portfolio hedge of interest rate risk	P20	178	1,190	1,368	52	663	715
Current tax liabilities		4	—	4	11	—	11
Other liabilities	P30	2,895	—	2,895	4,173	—	4,173
Accrued expenses and prepaid income	P31	642	—	642	1,150	—	1,150
Deferred tax liabilities	P13	0	—	0	10	—	10
Provisions	P32	43	163	206	42	142	184
Retirement benefit liabilities	P33	—	171	171	—	166	166
Subordinated liabilities	P34	—	7,728	7,728	—	5,971	5,971
Total liabilities		103,083	54,683	157,766	102,575	41,424	143,999

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Maturity analysis for assets and liabilities, cont.

Contractual undiscounted cash flows

31 Dec 2014, EURm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
Treasury bills	—	78	681	4,020	639	5,418
Loans to credit institutions	8,033	38,555	18,687	16,661	8,881	90,817
Loans to the public	727	13,870	6,802	15,941	6,437	43,777
Interest bearing securities	—	1,095	1,926	8,333	797	12,151
Other	—	13,606	—	—	—	13,606
Total financial assets	8,760	67,204	28,096	44,955	16,754	165,769
Deposits by credit institutions	3,344	15,023	1,698	7,484	293	27,842
Deposits and borrowings from the public	38,699	7,658	2,410	432	—	49,199
– of which Deposits	38,699	7,658	2,410	432	—	49,199
Debt securities in issue	—	19,491	19,093	23,767	16,989	79,340
– of which Debt securities in issue	—	18,574	17,884	22,723	10,129	69,310
– of which Other	—	917	1,209	1,044	6,860	10,030
Other	—	6,939	—	—	—	6,939
Total financial liabilities	42,043	49,111	23,201	31,683	17,282	163,320
Derivatives, cash inflow	—	28,770	5,394	17,159	5,759	57,082
Derivatives, cash outflow	—	27,963	5,282	16,281	5,152	54,678
Net exposure	—	807	112	878	607	2,404
Exposure	–33,283	18,900	5,007	14,150	79	4,853
Cumulative exposure	–33,283	–14,383	–9,376	4,774	4,853	—
31 Dec 2013, EURm						
Treasury bills	—	202	482	4,687	814	6,185
Loans to credit institutions	35	47,340	16,639	13,358	6,021	83,393
Loans to the public	—	11,085	4,586	16,991	4,304	36,966
Interest bearing securities	—	327	2,845	7,450	1,965	12,587
Other	—	—	—	—	11,519	11,519
Total financial assets	35	58,954	24,552	42,486	24,623	150,650
Deposits by credit institutions	1,855	10,808	1,468	3,515	184	17,830
Deposits and borrowings from the public	36,191	8,361	1,634	1,171	294	47,651
– of which Deposits	36,191	8,361	1,634	1,171	294	47,651
Debt securities in issue	—	23,414	13,230	25,119	12,631	74,394
– of which Debt securities in issue	—	23,253	13,110	22,377	7,630	66,370
– of which Other	—	161	120	2,742	5,001	8,024
Other	—	—	—	—	28,209	28,209
Total financial liabilities	38,046	42,583	16,332	29,805	41,318	168,084
Derivatives, cash inflow	—	22,486	21,415	32,842	6,480	83,223
Derivatives, cash outflow	—	22,123	20,049	33,955	5,809	81,936
Net exposure	—	363	1,366	–1,113	671	1,287
Exposure	–38,011	16,734	9,586	11,568	–16,024	–16,147
Cumulative exposure	–38,011	–21,277	–11,691	–123	–16,147	—

The table is based on contractual maturities for on balance sheet financial instruments. For derivatives, the expected cash inflows and outflows are disclosed for both derivative assets and derivative liabilities, as derivatives are managed on a net basis. In addition to the instruments on the balance sheet and derivative instruments, Nordea has credit commitments amounting to

EUR 23,824m (EUR 26,713m), which could be drawn on at any time. Nordea has also issued guarantees of EUR 71,103m (EUR 70,385m) which may lead to future cash outflows if certain events occur.

For further information about remaining maturity, see also the section "Risk, Liquidity and Capital management".

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Related-party transactions

The information below is presented from a Nordea perspective, meaning that the information shows the effect from related party transactions on the Nordea figures. For more information on definitions, see Note G1 "Accounting policies", section 26 and Note G46 "Related-party transactions".

EURm	Group undertakings		Associated undertakings		Other related parties	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Assets						
Loans and receivables	82,711	80,672	369	141	—	—
Interest-bearing securities	64	117	—	—	—	—
Derivatives	2,495	1,766	5	6	—	—
Investments in associated undertakings	—	—	7	7	—	—
Investments in group undertakings	16,986	17,723	—	—	—	—
Other assets	857	847	—	—	—	—
Prepaid expenses and accrued income	638	768	—	—	—	—
Total assets	103,751	101,893	381	154	—	—

EURm	Group undertakings		Associated undertakings		Other related parties	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Liabilities						
Deposits	15,240	6,688	2	2	20	21
Debt securities in issue	260	340	—	—	—	—
Derivatives	3,246	2,252	—	—	—	—
Other liabilities	4	267	—	—	—	—
Accrued expenses and deferred income	240	172	—	—	—	—
Subordinated liabilities	20	—	—	—	—	—
Total liabilities	19,010	9,719	2	2	20	21
Off balance¹	72,836	77,684	1,809	1,931	—	—

1) Including guarantees to Nordea Bank Finland Plc and Nordea Bank Polska S.A., see Note P38 "Contingent liabilities" as well as nominal values on derivatives in associated undertakings.

EURm	Group undertakings		Associated undertakings		Other related parties	
	2014	2013	2014	2013	2014	2013
Net interest income and expenses	108	209	3	1	0	0
Net fee and commission income	406	612	0	—	—	—
Net result from items at fair value	-309	525	12	9	—	—
Other operating income	687	637	—	—	—	—
Total operating expenses	-137	-133	0	—	—	—
Profit before loan losses	755	1,850	15	10	0	0

Compensation and loans to key management personnel

Compensation and loans to key management personnel are specified in Note G7 "Staff costs".

Other related-party transactions

Nordea Bank AB (publ) takes part in a guarantee consortium to support Norwegian Eksportfinans ASA. For further information, see Note G46 "Related-party transactions".

Signing of the Annual Report

The Board of Directors and the President and CEO certify that the annual report has been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements have been prepared in accordance with the International Reporting Standards (IFRS/IAS) referred to in the European parliament and councils' regulation (EC) 1606/2002, from 19 July 2002, on application of International Accounting Standards. They give a true and fair view of the Group's and the Company's financial position and result. The Board of Directors' Report for the Group and the Company gives a true and fair overview of the development of the operations, financial position and result of the Group and the Company and describes the material risks and uncertainties that the Company and the Group companies are facing.

5 February 2015

Björn Wahlroos
Chairman

Marie Ehrling
Vice Chairman

Elisabeth Grieg
Board member

Tom Knutzen
Board member

Robin Lawther
Board member

Toni H. Madsen
Board member¹

Lars G Nordström
Board member

Lars Oddestad
Board member¹

Hans Christian Riise
Board member¹

Sarah Russell
Board member

Kari Stadigh
Board member

Christian Clausen
President and CEO

Our audit report was submitted on 6 February 2015

KPMG AB

Hans Åkervall
Authorised Public Accountant

¹) Employee representative.

Auditor's report

To the annual meeting of the shareholders of Nordea Bank AB (publ)
Corporate identity number 516406-0120

Report on the annual accounts and the consolidated accounts

We have audited the annual accounts and the consolidated accounts of Nordea Bank AB (publ) for the year 2014. The annual accounts and the consolidated accounts of the company are included in the printed version of this document on pages 28–209.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and the consolidated accounts
The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of the annual accounts in accordance with the Annual Accounts Act of Credit Institutions and Security Companies and for the fair presentation of the consolidated accounts in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institutions and Securities Companies, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and the consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and the consolidated accounts are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and the consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and the consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and the consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and the consolidated accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies. The consolidated accounts have been prepared in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies, and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act of Credit Institutions and Securities Companies. A Corporate Governance Report has been prepared. The Board of Director's report and the Corporate Governance Report are consistent with the other parts of the annual accounts and the consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet of the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and the consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Nordea Bank AB (publ) for the year 2014.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and the Banking and Financing Business Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and the consolidated accounts, we examined significant

decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act of Credit Institutions and Securities Companies, or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the Board of Director's report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm, 6 February 2015

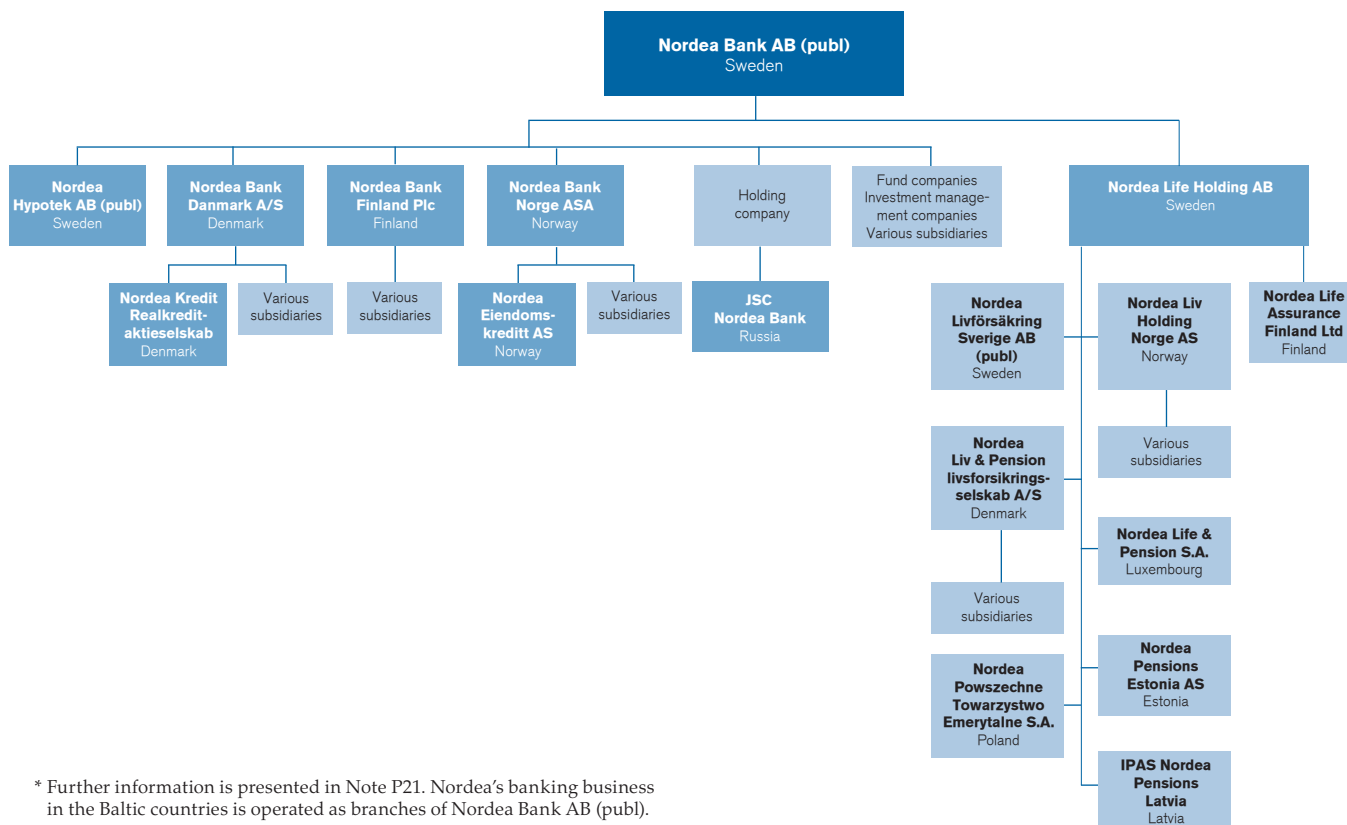
KPMG AB

Hans Åkervall

Authorised Public Accountant

Legal structure

Main legal structure*, as of 31 December 2014



* Further information is presented in Note P21. Nordea's banking business in the Baltic countries is operated as branches of Nordea Bank AB (publ).

EXTRACTS FROM NBAB SECOND QUARTER REPORT 2015

Income statement

EURm	Note	Q2 2015	Q2 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Operating income						
Interest income		2,178	2,549	4,417	5,077	9,995
Interest expense		-869	-1,181	-1,820	-2,347	-4,513
Net interest income		1,309	1,368	2,597	2,730	5,482
Fee and commission income		1,039	941	2,041	1,872	3,799
Fee and commission expense		-256	-233	-501	-460	-957
Net fee and commission income	3	783	708	1,540	1,412	2,842
Net result from items at fair value	4	401	356	1,045	767	1,425
Profit from companies accounted for under the equity method		8	3	18	12	18
Other operating income		22	25	42	43	474
Total operating income		2,523	2,460	5,242	4,964	10,241
Operating expenses						
General administrative expenses:						
Staff costs		-772	-910	-1,551	-1,668	-3,159
Other expenses	5	-363	-428	-727	-858	-1,656
Depreciation, amortisation and impairment charges of tangible and intangible assets						
		-50	-65	-95	-121	-585
Total operating expenses		-1,185	-1,403	-2,373	-2,647	-5,400
Profit before loan losses		1,338	1,057	2,869	2,317	4,841
Net loan losses	6	-103	-135	-225	-293	-534
Operating profit		1,235	922	2,644	2,024	4,307
Income tax expense		-283	-216	-610	-482	-950
Net profit for the period from continuing operations		952	706	2,034	1,542	3,357
Net profit for the period from discontinued operations, after tax	12	-	-20	-	-25	-25
Net profit for the period		952	686	2,034	1,517	3,332
Attributable to:						
Shareholders of Nordea Bank AB (publ)		952	686	2,034	1,517	3,332
Non-controlling interests		-	-	-	-	-
Total		952	686	2,034	1,517	3,332
Basic earnings per share, EUR - Total operations		0.24	0.17	0.51	0.38	0.83
Diluted earnings per share, EUR - Total operations		0.24	0.17	0.51	0.38	0.83

Statement of comprehensive income

EURm	Q2 2015	Q2 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Net profit for the period	952	686	2,034	1,517	3,332
Items that may be reclassified subsequently to the income statement					
Currency translation differences during the period	-80	-108	288	-138	-1,039
Hedging of net investments in foreign operations:					
Valuation gains/losses during the period	61	109	-78	95	435
Tax on valuation gains/losses during the period	-14	-24	17	-21	-96
Available for sale investments: ¹					
Valuation gains/losses during the period	-113	11	-69	22	40
Tax on valuation gains/losses during the period	28	-2	16	-5	-8
Cash flow hedges:					
Valuation gains/losses during the period	78	-18	64	-49	31
Tax on valuation gains/losses during the period	-16	5	-14	11	-7
Items that may not be reclassified subsequently to the income statement					
Defined benefit plans:					
Remeasurement of defined benefit plans	507	-102	273	-159	-518
Tax on remeasurement of defined benefit plans	-115	25	-63	36	120
Other comprehensive income, net of tax²	336	-104	434	-208	-1,042
Total comprehensive income	1,288	582	2,468	1,309	2,290
Attributable to:					
Shareholders of Nordea Bank AB (publ)	1,288	582	2,468	1,309	2,290
Non-controlling interests	-	-	-	-	-
Total	1,288	582	2,468	1,309	2,290

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

² Of which EUR -m for Q2 2015 (Q2 2014: EUR -12m, Jan-Dec 2014: EUR -12m) related to discontinued operations.

Balance sheet

EURm	Note	30 Jun 2015	31 Dec 2014	30 Jun 2014
Assets				
Cash and balances with central banks		45,532	31,067	25,191
Loans to central banks	7	8,485	6,958	11,639
Loans to credit institutions	7	13,517	12,217	14,977
Loans to the public	7	357,580	348,085	347,076
Interest-bearing securities		88,309	87,110	89,438
Financial instruments pledged as collateral		12,010	12,151	8,430
Shares		43,012	39,749	35,950
Derivatives		86,314	105,119	78,644
Fair value changes of the hedged items in portfolio hedge of interest rate risk		166	256	234
Investments in associated undertakings		496	487	489
Intangible assets		3,086	2,908	3,284
Properties and equipment		559	509	511
Investment properties		3,218	3,227	3,457
Deferred tax assets		61	130	74
Current tax assets		160	132	147
Retirement benefit assets		207	42	322
Other assets		18,240	17,581	14,516
Prepaid expenses and accrued income		1,700	1,614	2,211
Assets held for sale	12	-	-	136
Total assets		682,652	669,342	636,726
<i>Of which assets customer bearing the risk</i>		<i>32,379</i>	<i>29,125</i>	<i>27,322</i>
Liabilities				
Deposits by credit institutions		63,894	56,322	53,753
Deposits and borrowings from the public		210,829	197,254	201,646
Liabilities to policyholders		55,541	51,843	50,667
Debt securities in issue		196,467	194,274	185,506
Derivatives		83,904	97,340	70,436
Fair value changes of the hedged items in portfolio hedge of interest rate risk		2,578	3,418	2,818
Current tax liabilities		434	368	416
Other liabilities		27,980	26,973	30,936
Accrued expenses and prepaid income		1,851	1,943	3,361
Deferred tax liabilities		939	983	881
Provisions		285	305	329
Retirement benefit obligations		405	540	491
Subordinated liabilities		7,736	7,942	6,604
Liabilities held for sale	12	-	-	36
Total liabilities		652,843	639,505	607,880
Equity				
Non-controlling interests		1	2	2
Share capital		4,050	4,050	4,050
Share premium reserve		1,080	1,080	1,080
Other reserves		-767	-1,201	-367
Retained earnings		25,445	25,906	24,081
Total equity		29,809	29,837	28,846
Total liabilities and equity		682,652	669,342	636,726
Assets pledged as security for own liabilities		182,782	163,041	175,208
Other assets pledged		10,711	11,265	9,987
Contingent liabilities		22,835	22,017	21,749
Credit commitments ¹		73,099	74,291	78,358
Other commitments		1,357	1,644	1,028

¹ Including unutilised portion of approved overdraft facilities of EUR 38,854m (31 Dec 2014: EUR 38,234m, 30 Jun 2014: EUR 44,485m).

Statement of changes in equity

Attributable to shareholders of Nordea Bank AB (publ)										
Other reserves:										
EURm	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2015	4,050	1,080	-1,313	6	113	-7	25,906	29,835	2	29,837
Net profit for the period	-	-	-	-	-	-	2,034	2,034	-	2,034
Other comprehensive income, net of tax	-	-	227	50	-53	210	-	434	-	434
<i>Total comprehensive income</i>	-	-	227	50	-53	210	2,034	2,468	-	2,468
Share-based payments ²	-	-	-	-	-	-	2	2	-	2
Dividend for 2014	-	-	-	-	-	-	-2,501	-2,501	-	-2,501
Disposal of own shares ³	-	-	-	-	-	-	4	4	-	4
Other changes	-	-	-	-	-	-	-	-	-1	-1
Balance at 30 Jun 2015	4,050	1,080	-1,086	56	60	203	25,445	29,808	1	29,809

Attributable to shareholders of Nordea Bank AB (publ)										
Other reserves:										
EURm	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2014	4,050	1,080	-613	-18	81	391	24,236	29,207	2	29,209
Net profit for the period	-	-	-	-	-	-	3,332	3,332	-	3,332
Other comprehensive income, net of tax	-	-	-700	24	32	-398	-	-1,042	-	-1,042
<i>Total comprehensive income</i>	-	-	-700	24	32	-398	3,332	2,290	-	2,290
Share-based payments ²	-	-	-	-	-	-	16	16	-	16
Dividend for 2013	-	-	-	-	-	-	-1,734	-1,734	-	-1,734
Disposal of own shares ³	-	-	-	-	-	-	56	56	-	56
Balance at 31 Dec 2014	4,050	1,080	-1,313	6	113	-7	25,906	29,835	2	29,837

Attributable to shareholders of Nordea Bank AB (publ)										
Other reserves:										
EURm	Share capital ¹	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 Jan 2014	4,050	1,080	-613	-18	81	391	24,236	29,207	2	29,209
Net profit for the period	-	-	-	-	-	-	1,517	1,517	-	1,517
Other comprehensive income, net of tax	-	-	-64	-38	17	-123	-	-208	-	-208
<i>Total comprehensive income</i>	-	-	-64	-38	17	-123	1,517	1,309	-	1,309
Share-based payments ²	-	-	-	-	-	-	11	11	-	11
Dividend for 2013	-	-	-	-	-	-	-1,734	-1,734	-	-1,734
Disposal of own shares ³	-	-	-	-	-	-	51	51	-	51
Balance at 30 Jun 2014	4,050	1,080	-677	-56	98	268	24,081	28,844	2	28,846

¹ Total shares registered were 4,050 million (31 Dec 2014: 4,050 million, 30 Jun 2014: 4,050 million).

² The total holding of own shares related to Long Term Incentive Programme (LTIP) is 11.7 million (31 Dec 2014: 15.9 million, 30 Jun 2014: 15.9 million).

³ 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 2015 was 18.4 million (31 Dec 2014: 23.0 million, 30 Jun 2014: 24.5 million).

Cash flow statement, condensed - Total operations

EURm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
<i>Operating activities</i>			
Operating profit	2,644	2,024	4,307
Profit for the period from discontinued operations, after tax	-	-25	-25
Adjustments for items not included in cash flow	2,945	4,566	8,140
Income taxes paid	-537	-505	-966
Cash flow from operating activities before changes in operating assets and liabilities	5,052	6,060	11,456
Changes in operating assets and liabilities	7,075	-15,698	-22,280
Cash flow from operating activities	12,127	-9,638	-10,824
<i>Investing activities</i>			
Sale/acquisition of associated undertakings	-	481	481
Properties and equipment	-77	-139	-183
Intangible assets	-163	-70	-271
Net investments in debt securities, held to maturity	-263	2,032	2,750
Other financial fixed assets	-	-1	477
Cash flow from investing activities	-503	2,303	3,254
<i>Financing activities</i>			
Issued/amortised subordinated liabilities	-554	-	638
Divestment/repurchase of own shares incl change in trading portfolio	4	51	56
Dividend paid	-2,501	-1,734	-1,734
Cash flow from financing activities	-3,051	-1,683	-1,040
Cash flow for the period	8,573	-9,018	-8,610
Cash and cash equivalents at beginning of the period	39,683	45,670	45,670
Translation difference	2,206	61	2,623
Cash and cash equivalents at end of the period	50,462	36,713	39,683
Change	8,573	-9,018	-8,610
Cash and cash equivalents	30 Jun	30 Jun	31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2015</u>	<u>2014</u>	<u>2014</u>
Cash and balances with central banks	45,532	25,191	31,067
Loans to central banks	2,945	9,542	6,454
Loans to credit institutions	1,985	1,968	2,162
Assets held for sale	-	12	-
Total cash and cash equivalents	50,462	36,713	39,683

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

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

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

Notes to the financial statements

Note 1 Accounting policies

The accounting policies used for recognising and measuring items in the financial statements are in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18) have also been applied.

These statements are presented in accordance with IAS 34 "Interim Financial Reporting".

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation in the financial statements are in all material aspects unchanged in comparison with the 2014 Annual Report. For the change in scope of discontinued business, see Note 12.

The following amendments published by the IASB were implemented 1 January 2015 but have not had any significant impact on Nordea's financial statements:

- Amendments to IAS 19 "Defined benefit plans: Employee Contributions"
- Annual Improvements to IFRSs, 2010-2012 Cycle
- Annual Improvements to IFRSs, 2011-2013 Cycle
- IFRIC 21 "Levies"

The Swedish Financial Reporting Board has amended the accounting recommendation for groups by issuing "RFR 1 Supplementary Accounting Rules for Groups – January 2015". These changes were implemented by Nordea 1 January 2015, as a consequence of applying FFFS 2008:25, but have not had any significant impact on Nordea's financial statements.

Impact on capital adequacy from new or amended IFRS standards

IFRS 9 "Financial instruments"

IFRS 9 "Financial Instruments" covering classification and measurement, impairment and general hedging has been adopted by the IASB but has not yet been implemented by Nordea.

The changes in classification and measurement are not expected to have a significant impact on Nordea's income statement or balance sheet as the mixed measurement model will be maintained. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy or large exposures are not expected, but this is naturally dependent on the financial instruments on Nordea's balance sheet at transition.

The impairment requirements in IFRS 9 are based on an expected loss model as opposed to the current incurred loss model in IAS 39. In general, it is expected that the new requirements will increase loan loss provisions, decrease equity and have a negative impact on capital adequacy at transition. Nordea has not yet finalised any impact assessment.

The main change to the general hedging requirements is that the standard aligns hedge accounting more closely with the risk management activities. As Nordea generally uses macro (portfolio) hedge accounting Nordea's assessment is that the new requirements will not have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

IFRS 15 "Revenue from Contracts with Customers"

The IASB has also adopted IFRS 15 "Revenue from Contracts with Customers". The new standard has not yet been implemented by Nordea. It is not expected that the standard will have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

Other amendments to IFRS

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

Exchange rates

	Jan-Jun 2015	Jan-Dec 2014	Jan-Jun 2014
EUR 1 = SEK			
Income statement (average)	9.3416	9.1012	8.9594
Balance sheet (at end of period)	9.2150	9.3930	9.1762
EUR 1 = DKK			
Income statement (average)	7.4564	7.4548	7.4627
Balance sheet (at end of period)	7.4604	7.4453	7.4557
EUR 1 = NOK			
Income statement (average)	8.6461	8.3597	8.2796
Balance sheet (at end of period)	8.7910	9.0420	8.4035
EUR 1 = RUB			
Income statement (average)	64.5730	50.9996	48.0224
Balance sheet (at end of period)	62.3550	72.3370	46.3779

Note 2 Segment reporting

	Operating segments							Total Group
	Retail Banking	Whole-sale Banking	Wealth Management	Group Corporate Centre	Other operating segments	Total operating segments	Reconciliation	
Jan-Jun 2015								
Total operating income, EURm	2,875	1,336	964	286	22	5,483	-241	5,242
- of which internal transactions ¹ , EURm	-660	-161	7	770	44	0	-	-
Operating profit, EURm	1,306	822	561	143	17	2,849	-205	2,644
Loans to the public ² , EURbn	224	58	10	-	-	292	66	358
Deposits and borrowings from the public ² , EURbn	106	42	12	-	-	160	51	211
Jan-Jun 2014								
Total operating income, EURm	2,826	1,269	796	209	8	5,108	-144	4,964
- of which internal transactions ¹ , EURm	-755	-124	9	848	22	0	-	-
Operating profit, EURm	1,107	803	403	66	3	2,382	-358	2,024
Loans to the public ² , EURbn	218	55	8	-	-	281	66	347
Deposits and borrowings from the public ² , EURbn	107	39	11	-	-	157	45	202

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 Corporate Centre.

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

Breakdown of Retail Banking, Wholesale Banking and Wealth Management

	Retail Banking Nordic ¹		Retail Banking Baltic countries ²		Retail Banking Other ³		Retail Banking Jan-Jun	
	2015	2014	2015	2014	2015	2014	2015	2014
Total operating income, EURm	2,834	2,803	93	85	-52	-62	2,875	2,826
- of which internal transactions, EURm	-583	-641	-15	-23	-62	-91	-660	-755
Operating profit, EURm	1,321	1,195	54	0	-69	-88	1,306	1,107
Loans to the public, EURbn	216	210	8	8	-	-	224	218
Deposits and borrowings from the public, EURbn	102	103	4	4	-	-	106	107

	Corporate & Institutional Banking		Shipping, Offshore & Oil Services		Nordea Bank Russia		Capital Markets unallocated		Wholesale Banking Other ⁴		Wholesale Banking Jan-Jun	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total operating income, EURm	769	811	186	181	125	107	299	221	-43	-51	1,336	1,269
- of which internal transactions, EURm	-72	-79	-32	-33	-44	-16	30	52	-43	-48	-161	-124
Operating profit, EURm	487	492	160	185	71	73	162	115	-58	-62	822	803
Loans to the public, EURbn	39	39	12	11	7	5	-	-	-	-	58	55
Deposits and borrowings from the public, EURbn	36	34	5	4	1	1	-	-	-	-	42	39

	Private Banking		Asset Management		Life & Pension unallocated		Wealth Management Other ⁵		Wealth Management Jan-Jun	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total operating income, EURm	440	391	376	264	291	255	-143	-114	964	796
- of which internal transactions, EURm	7	7	0	0	0	0	0	2	7	9
Operating profit, EURm	235	187	258	154	201	162	-133	-100	561	403
Loans to the public, EURbn	10	8	-	-	-	-	-	-	10	8
Deposits and borrowings from the public, EURbn	12	11	-	-	-	-	-	-	12	11

¹ Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden.

² Retail Banking Baltic countries includes banking operations in Estonia, Latvia and Lithuania.

³ Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT.

⁴ Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT.

⁵ Wealth Management Other includes the area Savings and support areas, such as IT.

Note 2, continued

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		30 Jun		30 Jun	
	2015	2014	2015	2014	2015	2014
Total operating segments	2,849	2,382	292	281	160	157
Group functions ¹	-69	-74	-	-	-	-
Unallocated items ²	54	-166	65	62	50	44
Differences in accounting policies ³	-190	-118	1	4	1	1
Total	2,644	2,024	358	347	211	202

¹ Consists of Group Risk Management, Group Internal Audit, Group Identity & Communications, Group Human Resources and Group Executive Management.

² Including non-recurring items 2014 EUR -190m.

³ Impact from 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 Retail Banking, Wholesale Banking and Wealth Management, with a further breakdown on operating segments, and the operating segment Group Corporate Centre. Other operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Group functions (and eliminations) as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

Note 3 Net fee and commission income

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
EURm	2015	2015	2014	2015	2014	2014
Asset management commissions	388	359	292	747	565	1,188
Life insurance	100	90	88	190	179	367
Brokerage, securities issues and corporate finance	70	81	72	151	157	281
Custody and issuer services	31	26	53	56	75	129
Deposits	8	7	10	15	19	39
Total savings and investments	597	563	515	1,159	995	2,004
Payments	102	100	101	201	204	406
Cards	135	129	130	265	253	529
Total payment and cards	237	229	231	466	457	935
Lending	128	127	126	255	263	541
Guarantees and documentary payments	47	47	44	94	90	181
Total lending related commissions	175	174	170	349	353	722
Other commission income	30	36	25	67	67	138
Fee and commission income	1,039	1,002	941	2,041	1,872	3,799
Savings and investments	-87	-86	-85	-173	-167	-363
Payments	-23	-22	-21	-45	-42	-85
Cards	-66	-63	-62	-128	-120	-253
State guarantee fees	-35	-35	-32	-70	-67	-132
Other commission expenses	-45	-39	-33	-85	-64	-124
Fee and commission expenses	-256	-245	-233	-501	-460	-957
Net fee and commission income	783	757	708	1,540	1,412	2,842

Note 4 Net result from items at fair value

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
EURm	2015	2015	2014	2015	2014	2014
Equity related instruments	14	154	-53	168	-53	431
Interest related instruments and foreign exchange gains/losses	308	409	262	716	602	323
Other financial instruments (including credit and commodities)	20	24	95	44	120	409
Investment properties	-2	-1	-4	-3	-6	-10
Life insurance ¹	61	58	56	120	104	272
Total	401	644	356	1,045	767	1,425

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	Q1	Q2	Jan-Jun	Jan-Jun	Full year
EURm	2015	2015	2014	2015	2014	2014
Equity related instruments	-552	2,181	894	1,630	949	2,398
Interest related instruments and foreign exchange gains/losses	-942	653	597	-289	1,111	2,232
Other financial instruments	0	0	-5	0	-5	0
Investment properties	39	23	8	62	171	255
Change in technical provisions ¹	1,364	-2,360	-1,239	-996	-1,790	-3,834
Change in collective bonus potential	142	-459	-213	-317	-367	-871
Insurance risk income	60	46	49	107	100	212
Insurance risk expense	-50	-26	-35	-77	-65	-120
Total	61	58	56	120	104	272

¹ Premium income amounts to EUR 591m for Q2 2015 and EUR 1,254m for Jan-Jun 2015 (Q1 2015: EUR 663m, Q2 2014: EUR 547m Jan-Jun 2014: EUR 1,148m).

Note 5 Other expenses

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
EURm	2015	2015	2014	2015	2014	2014
Information technology	-122	-119	-129	-242	-274	-561
Marketing and representation	-22	-21	-26	-42	-54	-103
Postage, transportation, telephone and office expenses	-34	-42	-43	-76	-93	-178
Rents, premises and real estate	-82	-85	-125	-167	-213	-389
Other	-103	-97	-105	-200	-224	-425
Total	-363	-364	-428	-727	-858	-1,656

Note 6 Net loan losses

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
EURm	2015	2015	2014	2015	2014	2014
Loan losses divided by class						
Realised loan losses	-	-	0	-	0	-2
Allowances to cover realised loan losses	-	-	-	-	-	2
Recoveries on previous realised loan losses	0	-	-	0	-	0
Provisions	0	1	0	1	0	0
Reversal of previous provisions	-	0	0	0	0	23
Loans to credit institutions	0	1	0	1	0	23
Realised loan losses	-206	-128	-151	-334	-309	-633
Allowances to cover realised loan losses	172	85	109	257	236	450
Recoveries on previous realised loan losses	14	12	19	26	37	81
Provisions	-220	-214	-228	-434	-497	-998
Reversal of previous provisions	148	145	130	293	261	557
Loans to the public	-92	-100	-121	-192	-272	-543
Realised loan losses	-1	-4	0	-5	0	-3
Allowances to cover realised loan losses	1	4	0	5	0	3
Provisions	-29	-39	-46	-68	-54	-107
Reversal of previous provisions	18	16	32	34	33	93
Off-balance sheet items	-11	-23	-14	-34	-21	-14
Net loan losses	-103	-122	-135	-225	-293	-534

Key ratios

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
	2015	2015	2014	2015	2014	2014
Loan loss ratio, basis points	12	14	16	13	17	15
- of which individual	12	14	15	13	17	15
- of which collective	0	0	1	0	0	0

Note 7 Loans and impairment

EURm	Total			
	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Loans, not impaired	376,438	381,545	363,584	370,098
Impaired loans	5,811	6,166	6,425	6,409
-of which performing	3,600	3,827	4,115	4,073
-of which non-performing	2,211	2,339	2,310	2,336
Loans before allowances	382,249	387,711	370,009	376,507
Allowances for individually assessed impaired loans	-2,236	-2,328	-2,329	-2,391
-of which performing	-1,316	-1,328	-1,432	-1,418
-of which non-performing	-920	-1,000	-897	-973
Allowances for collectively assessed impaired loans	-431	-426	-420	-424
Allowances	-2,667	-2,754	-2,749	-2,815
Loans, carrying amount	379,582	384,957	367,260	373,692

EURm	Central banks and credit institutions				The public			
	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Loans, not impaired	22,004	27,239	19,177	26,619	354,434	354,306	344,407	343,479
Impaired loans	-	-	-	24	5,811	6,166	6,425	6,385
-of which performing	-	-	-	-	3,600	3,827	4,115	4,073
-of which non-performing	-	-	-	24	2,211	2,339	2,310	2,312
Loans before allowances	22,004	27,239	19,177	26,643	360,245	360,472	350,832	349,864
Allowances for individually assessed impaired loans	-	-	-	-24	-2,236	-2,328	-2,329	-2,367
-of which performing	-	-	-	-	-1,316	-1,328	-1,432	-1,418
-of which non-performing	-	-	-	-24	-920	-1,000	-897	-949
Allowances for collectively assessed impaired loans	-2	-2	-2	-3	-429	-424	-418	-421
Allowances	-2	-2	-2	-27	-2,665	-2,752	-2,747	-2,788
Loans, carrying amount	22,002	27,237	19,175	26,616	357,580	357,720	348,085	347,076

Allowances and provisions

EURm	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Allowances for items on the balance sheet	-2,667	-2,754	-2,749	-2,815
Provisions for off balance sheet items	-100	-90	-72	-81
Total allowances and provisions	-2,767	-2,844	-2,821	-2,896

Key ratios

	30 Jun 2015	31 Mar 2015	31 Dec 2014	30 Jun 2014
Impairment rate, gross, basis points	152	159	174	170
Impairment rate, net, basis points	94	99	111	107
Total allowance rate, basis points	70	71	74	75
Allowances in relation to impaired loans, %	38	38	36	37
Total allowances in relation to impaired loans, %	46	45	43	44
Non-performing, not impaired, EURm	354	301	289	334

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	45,532	-	-	-	-	-	45,532
Loans to central banks	4,185	-	4,300	-	-	-	8,485
Loans to credit institutions	7,463	-	6,052	2	-	-	13,517
Loans to the public	253,348	-	52,598	51,634	-	-	357,580
Interest-bearing securities	63	2,911	37,609	17,733	-	29,993	88,309
Financial instruments pledged as collateral	-	-	12,010	-	-	-	12,010
Shares	-	-	7,516	35,496	-	-	43,012
Derivatives	-	-	83,190	-	3,124	-	86,314
Fair value changes of the hedged items in portfolio hedge of interest rate risk	166	-	-	-	-	-	166
Other assets	4,457	-	-	12,711	-	-	17,168
Prepaid expenses and accrued income	1,134	-	-	-	-	-	1,134
Total 30 Jun 2015	316,348	2,911	203,275	117,576	3,124	29,993	673,227
Total 31 Dec 2014	298,231	2,630	211,643	112,736	2,840	31,525	659,605

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	31,287	2,696	-	29,911	63,894
Deposits and borrowings from the public	30,687	7,949	-	172,193	210,829
Liabilities to policyholders, investment contracts	-	19,216	-	-	19,216
Debt securities in issue	7,333	43,636	-	145,498	196,467
Derivatives	82,323	-	1,581	-	83,904
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	2,578	2,578
Other liabilities	8,495	10,996	-	6,349	25,840
Accrued expenses and prepaid income	-	-	-	384	384
Subordinated liabilities	-	-	-	7,736	7,736
Total 30 Jun 2015	160,125	84,493	1,581	364,649	610,848
Total 31 Dec 2014	158,414	80,984	2,222	355,366	596,986

Note 9 Fair value of financial assets and liabilities

EURm	30 Jun 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	45,532	45,532	31,067	31,067
Loans	379,748	377,281	367,516	368,872
Interest-bearing securities	88,309	88,535	87,110	87,421
Financial instruments pledged as collateral	12,010	12,010	12,151	12,151
Shares	43,012	43,012	39,749	39,749
Derivatives	86,314	86,314	105,119	105,119
Other assets	17,168	17,168	15,766	15,766
Prepaid expenses and accrued income	1,134	1,134	1,127	1,127
Total	673,227	670,986	659,605	661,272
Financial liabilities				
Deposits and debt instruments	481,504	482,415	459,210	460,653
Liabilities to policyholders	19,216	19,216	16,741	16,741
Derivatives	83,904	83,904	97,340	97,340
Other liabilities	25,840	25,840	23,341	23,341
Accrued expenses and prepaid income	384	384	354	354
Total	610,848	611,759	596,986	598,429

The determination of fair value is described in the Annual report 2014, 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 Retail Banking and Wholesale Banking respectively.

Note 10 Financial assets and liabilities held at fair value on the balance sheet**Categorisation into the fair value hierarchy**

EURm	Quoted prices in active markets for the same instrument		Valuation technique using observable data		Valuation technique using non- observable data		Total
	(Level 1)	<i>Of which Life</i>	(Level 2)	<i>Of which Life</i>	(Level 3)	<i>Of which Life</i>	
Assets at fair value on the balance sheet¹							
Loans to central banks	-	-	4,300	-	-	-	4,300
Loans to credit institutions	-	-	6,054	-	-	-	6,054
Loans to the public	-	-	104,232	-	-	-	104,232
Interest-bearing securities ²	49,586	12,770	47,462	7,013	272	53	97,320
Shares ³	35,310	26,201	2,004	2,002	5,723	4,769	43,037
Derivatives	181	-	84,492	195	1,641	-	86,314
Other assets	-	-	12,711	-	-	-	12,711
Total 30 Jun 2015	85,077	38,971	261,255	9,210	7,636	4,822	353,968
Total 31 Dec 2014	87,550	35,544	263,991	8,658	7,203	4,539	358,744
Liabilities at fair value on the balance sheet¹							
Deposits by credit institutions	-	-	33,983	691	-	-	33,983
Deposits and borrowings from the public	-	-	38,636	-	-	-	38,636
Liabilities to policyholders	-	-	19,216	19,216	-	-	19,216
Debt securities in issue	43,636	-	7,333	-	-	-	50,969
Derivatives	241	-	82,038	21	1,625	-	83,904
Other liabilities	6,911	-	12,580	-	-	-	19,491
Total 30 Jun 2015	50,788	-	193,786	19,928	1,625	-	246,199
Total 31 Dec 2014	47,377	-	192,617	18,338	1,626	-	241,620

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

² Of which EUR 11,985m relates to the balance sheet item Financial instruments pledged as collateral.

³ Of which EUR 25m 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

For information about valuation techniques and inputs used in the fair value measurement, see the Annual report 2014, 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 521m from Level 1 to Level 2 and EUR 443m from Level 2 to Level 1 of the fair value hierarchy. Nordea transferred derivative assets of EUR 9m from Level 1 to Level 2 and EUR 95m from Level 2 to Level 1 and derivative liabilities of EUR 86m from Level 1 to Level 2 and EUR 135m 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 have also occurred following the implementation of an improved and more granular classification approach. Transfers between levels are considered to have occurred at the end of the reporting period.

Note 10, continued

Movements in Level 3

EURm	1 Jan	Fair value gains/losses recognised in the income statement during the year		Recognised in OCI	Purchases / Issues	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Translation differences	30 Jun
		Realised	Un-realised								
Interest-bearing securities	279	2	11	-	31	-47	-2	-	-2	-	272
- of which Life	53	-	-	-	-	-	-	-	-	-	53
Shares	5,458	166	223	-	1,058	-1,138	-43	3	-	-4	5,723
- of which Life	4,486	193	163	-	1,022	-1,054	-41	3	-	-3	4,769
Derivatives (net)	-160	89	-154	-	-	-	-89	465	-127	-8	16
Total 2015, net	5,577	257	80	-	1,089	-1,185	-134	468	-129	-12	6,011
Total 2014, net	4,355	349	-472	-3	407	-640	-107	-	-24	-3	3,862

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. During the period Nordea transferred shares of EUR 3m from Level 2 to Level 3. Nordea also transferred derivatives (net) of EUR 465m from Level 2 to Level 3 and EUR 127m from Level 3 to Level 2. The reason for the transfer from Level 3 to Level 2 was that observable market data became available. The reason for the transfer from Level 2 to Level 3 was that observable market data was no longer available. Transfers have also occurred following the implementation of an improved and more granular classification approach. 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 2014 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 2014 Note G1 "Accounting policies". The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the period (movement of deferred Day 1 profit).

Deferred day 1 profit - Derivatives, net

EURm	2015	2014
Opening balance at 1 Jan	36	38
Deferred profit on new transactions	6	4
Recognised in the income statement during the period	-2	-6
Closing balance at 30 Jun	40	36

Note 10, continued

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

EURm	Fair value	Of which		Unobservable input	Range of fair value ⁴
		Life ¹	Valuation techniques		
Interest-bearing securities					
Mortgage and other credit institutions ²	227	8	Discounted cash flows	Credit spread	-7/7
Corporates	45	45	Discounted cash flows	Credit spread	-3/3
Total 30 Jun 2015	272	53			-10/10
Total 31 Dec 2014	279	53			-11/11
Shares					
Private equity funds	2,302	1,828	Net asset value ³		-252/267
Hedge funds	416	151	Net asset value ³		-22/34
Credit funds	585	456	Net asset value/market consensus ³		-34/40
Other funds	2,229	2,217	Net asset value/Fund prices ³		-243/244
Other	191	117	-		-16/16
Total 30 Jun 2015	5,723	4,769			-567/601
Total 31 Dec 2014	5,458	4,486			-542/575
Derivatives, net					
Interest rate derivatives	169	-	Option model	Correlations Volatilities	-16/12
Equity derivatives	-156	-	Option model	Correlations Volatilities Dividends	-21/14
Foreign exchange derivatives	-34	-	Option model	Correlations Volatilities	-0/0
Credit derivatives	-6	-	Credit derivative model	Correlations Recovery rates	-10/11
Other	43	-	Option model	Correlations Volatilities	-0/0
Total 30 Jun 2015	16	-			-47/37
Total 31 Dec 2014	-160	-			-41/30

¹ Investments in financial instruments is a major part of the life insurance business, acquired to fulfill the obligations behind the insurance- and investment 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 the EVCA (European Venture Capital Association). Less than 15% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are in a range of 0% to 95% 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 2014, Note G40 "Assets and liabilities at fair value".

Note 11 Capital adequacy

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

Summary of items included in own funds

EURm	30 Jun 2015	31 Dec ³ 2014	30 Jun 2014
Calculation of own funds			
Equity in the consolidated situation	26,981	29,063	26,558
Proposed/actual dividend	-	-2,501	-
Common Equity Tier 1 capital before regulatory adjustments	26,981	26,562	26,558
Deferred tax assets	-	-	-
Intangible assets	-2,759	-2,584	-2,973
IRB provisions shortfall (-)	-249	-344	-263
Deduction for investments in credit institutions (50%)	-	-	-
Pension assets in excess of related liabilities ¹	-90	-33	-86
Other items, net	-506	-780	-603
Total regulatory adjustments to Common Equity Tier 1 capital	-3,604	-3,741	-3,925
Common Equity Tier 1 capital (net after deduction)	23,377	22,821	22,633
Additional Tier 1 capital before regulatory adjustments	2,917	2,779	1,556
Total regulatory adjustments to Additional Tier 1 capital	-27	-12	-
Additional Tier 1 capital	2,890	2,767	1,556
Tier 1 capital (net after deduction)	26,267	25,588	24,189
Tier 2 capital before regulatory adjustments	4,685	5,011	4,653
IRB provisions excess (+)/shortfall (-)	-	-	-
Deduction for investments in credit institutions (50%)	-	-	-
Deductions for investments in insurance companies	-509	-505	-514
Pension assets in excess of related liabilities	-	-	-
Other items, net	-44	-45	-
Total regulatory adjustments to Tier 2 capital	-553	-550	-514
Tier 2 capital	4,132	4,461	4,139
Own funds (net after deduction)²	30,399	30,049	28,328

¹ Based on conditional FSA approval

² Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 30,649m by 30 Jun 2015

³ Including profit

Own Funds including profit

EURm	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital, including profit	23,987	22,821	23,172
Total Own Funds, including profit	31,010	30,049	28,867

Note 11, continued

Minimum capital requirement and REA

	30 Jun 2015 Minimum Capital requirement	30 Jun 2015 REA	31 Dec 2014 Minimum Capital requirement	31 Dec 2014 REA	30 Jun 2014 Minimum Capital requirement	30 Jun 2014 REA
Credit risk	9,390	117,383	9,522	119,029	9,779	122,241
- of which counterparty credit risk	758	9,473	843	10,535	697	8,717
IRB	8,287	103,590	8,451	105,637	8,486	106,083
- of which corporate	5,538	69,227	5,743	71,792	5,963	74,538
- of which advanced	4,398	54,971	4,048	50,600	4,386	54,824
- of which foundation	1,140	14,256	1,695	21,192	1,577	19,714
- of which institutions	724	9,047	766	9,572	736	9,202
- of which retail	1,865	23,315	1,755	21,940	1,646	20,581
- of which secured by immovable property collateral	1,023	12,783	897	11,219	971	12,145
- of which other retail	842	10,532	858	10,721	675	8,436
- of which other	160	2,001	187	2,333	141	1,762
Standardised	1,103	13,793	1,071	13,392	1,293	16,158
- of which central governments or central banks	32	396	57	717	52	655
- of which regional governments or local authorities	18	229	17	211	14	170
- of which public sector entities	3	34	2	20	1	16
- of which multilateral development banks	0	0	-	-	-	-
- of which international organisations	-	-	-	-	-	-
- of which institutions	27	342	27	338	32	402
- of which corporate	164	2,053	154	1,921	152	1,898
- of which retail	260	3,253	255	3,181	450	5,628
- of which secured by mortgages on immovable properties	240	3,004	222	2,777	239	2,982
- of which in default	14	179	12	155	29	364
- of which associated with particularly high risk	58	723	53	666	53	659
- of which covered bonds	-	-	-	-	-	-
- of which institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
- of which collective investments undertakings (CIU)	-	-	-	-	-	-
- of which equity	199	2,484	195	2,442	205	2,562
- of which other items	88	1,096	77	964	66	822
Credit Value Adjustment Risk	165	2,061	185	2,308	273	3,412
Market risk	695	8,691	584	7,296	777	9,708
- of which trading book, Internal Approach	392	4,902	312	3,898	449	5,609
- of which trading book, Standardised Approach	107	1,340	112	1,402	155	1,931
- of which banking book, Standardised Approach	196	2,449	160	1,996	173	2,168
Operational risk	1,363	17,031	1,347	16,842	1,347	16,842
Standardised	1,363	17,031	1,347	16,842	1,347	16,842
Additional risk exposure amount due to Article 3 CRR	368	4,600	-	-	-	-
Sub total	11,981	149,766	11,638	145,475	12,176	152,203

Adjustment for Basel I floor

Additional capital requirement according to Basel I floor	6,028	75,350	5,995	74,938	5,195	64,932
Total	18,009	225,116	17,633	220,413	17,371	217,135

Minimum Capital Requirement & Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers			Capital Buffers total	Total
		CCoB	CCyB	SII		
Common Equity Tier 1 capital	4.5	2.5	0.2	3.0	5.7	10.2
Tier 1 capital	6.0	2.5	0.2	3.0	5.7	11.7
Own funds	8.0	2.5	0.2	3.0	5.7	13.7
EURm						
Common Equity Tier 1 capital	6,739	3,744	373	4,493	8,610	15,350
Tier 1 capital	8,986	3,744	373	4,493	8,610	17,596
Own funds	11,981	3,744	373	4,493	8,610	20,592

Common Equity Tier 1 available to meet Capital Buffers

	30 Jun 2015	31 Dec 2014	30 Jun 2014
Percentage points of REA			
Common Equity Tier 1 capital ¹	11.1	11.2	N/A

¹ Including profit of the period.

Note 11, continued

Capital ratios

Percentage	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit	16.0	15.7	15.2
Tier 1 ratio, including profit	17.9	17.6	16.2
Total capital ratio, including profit	20.7	20.7	19.0
Common Equity Tier 1 capital ratio, excluding profit	15.6	15.3	14.9
Tier 1 ratio, excluding profit	17.5	17.2	15.9
Total Capital ratio, excluding profit	20.3	20.3	18.6

Capital ratios including Basel I floor

Percentage	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit	10.8	10.5	10.8
Tier 1 ratio, including profit	12.1	11.8	11.5
Total capital ratio, including profit	13.9	13.8	13.4
Common Equity Tier 1 capital ratio, excluding profit	10.5	10.3	10.5
Tier 1 ratio, excluding profit	11.8	11.5	11.3
Total Capital ratio, excluding profit	13.6	13.5	13.2

Leverage ratio¹

	30 Jun 2015	31 Dec ² 2014	30 Jun 2014
Tier 1 capital, transitional definition, EURm	26,267	25,382	24,197
Leverage ratio exposure, EURm	592,384	590,759	574,077
Leverage ratio, percentage	4.4	4.3	4.2

¹ Q2 2015 based on end of month. Q4 2014 and Q2 2014 leverage ratio and volumes based on three month average according to local FSA reporting process.

² Including profit of the period.

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:
Corporate, foundation IRB:	15,836	4,465	31,035	938	46
- of which rating grades 6	2,106	249	5,437	114	17.3
- of which rating grades 5	4,247	1,172	9,108	284	31.0
- of which rating grades 4	6,055	1,712	11,981	383	56.7
- of which rating grades 3	2,002	877	2,951	106	86.2
- of which rating grades 2	218	82	333	7	138.2
- of which rating grades 1	34	17	37	0	164.9
- of which unrated	682	238	560	23	112.5
- of which defaulted	492	118	628	21	0.0
Corporate, advanced IRB:	116,828	67,680	141,135	28,372	39
- of which rating grades 6	12,786	6,669	14,829	3,291	9.4
- of which rating grades 5	23,999	25,021	34,449	10,658	22.8
- of which rating grades 4	57,214	28,717	67,517	11,715	40.6
- of which rating grades 3	14,851	5,189	16,285	2,062	56.7
- of which rating grades 2	2,510	822	2,544	307	101.4
- of which rating grades 1	414	77	400	26	116.9
- of which unrated	1,068	728	1,251	313	66.9
- of which defaulted	3,986	457	3,860		134.2
Institutions, foundation IRB:	36,910	3,709	46,634	1,164	19
- of which rating grades 6	14,299	839	16,516	328	10.9
- of which rating grades 5	22,003	1,118	28,002	351	20.9
- of which rating grades 4	443	1,195	1,749	353	54.5
- of which rating grades 3	82	335	254	85	113.1
- of which rating grades 2	48	144	34	26	189.5
- of which rating grades 1	2	13	5	3	258.9
- of which unrated	33	65	74	18	128.7
- of which defaulted					
Retail, of which secured by real estate:	133,509	7,153	138,902	5,393	9
- of which scoring grades A	81,920	5,725	86,311	4,390	3.5
- of which scoring grades B	30,550	975	31,297	746	8.1
- of which scoring grades C	12,642	277	12,808	167	16.0
- of which scoring grades D	4,072	118	4,136	65	31.3
- of which scoring grades E	1,890	43	1,907	17	63.3
- of which scoring grades F	939	8	943	4	87.4
- of which not scored	82	3	84	2	32.3
- of which defaulted	1,414	4	1,416	2	130.0
Retail, of which other retail:	27,171	13,356	34,693	8,570	30.4
- of which scoring grades A	7,249	7,073	11,578	4,508	9.1
- of which scoring grades B	6,766	3,122	8,531	2,019	19.2
- of which scoring grades C	4,261	1,588	5,064	1,073	31.7
- of which scoring grades D	2,992	850	3,361	562	38.3
- of which scoring grades E	2,907	327	3,037	201	40.9
- of which scoring grades F	1,920	147	1,930	93	55.4
- of which not scored	110	123	173	41	46.4
- of which defaulted	966	126	1,019	73	250.4
Other non credit-obligation assets:	2,302	99	2,001	38	100.0

Nordea does not have the following IRB exposure classes: equity exposures, items representing securitisation positions, central governments and central banks, qualifying revolving retail.

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

Note 11, continued

Capital requirements for market risk

EURm	Trading book, IM		Trading book, SA		Banking book, SA			Total
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other ¹	2,013	161	1,160	92	-	-	3,173	253
Equity risk	205	16	159	13	-	-	364	29
Foreign exchange risk	466	37	-	-	2,449	196	2,915	233
Commodity risk	-	-	20	2	-	-	20	2
Settlement risk	-	-	1	0	-	-	1	0
Diversification effect	-701	-56	-	-	-	-	-701	-56
Stressed Value-at-Risk	1,797	144	-	-	-	-	1,797	144
Incremental Risk Measure	714	57	-	-	-	-	714	57
Comprehensive Risk Measure	408	33	-	-	-	-	408	33
Total	4,902	392	1,340	107	2,449	196	8,691	695

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 12 Discontinued operations and disposal groups held for sale

EURm	Q2 2015	Q2 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Net interest income	-	1	-	28	28
Net fee and commission income	-	-2	-	-1	0
Other operating income	-	-19	-	-16	-16
Total operating income	-	-20	-	11	12
Total operating expenses	-	-2	-	-30	-30
Net loan losses	-	2	-	-5	-6
Operating profit	-	-20	-	-24	-24
Income tax expense	-	0	-	-1	-1
Net profit for the period from discontinued	-	-20	-	-25	-25
Net result for the period recognised on the measurement at fair value	-	-19	-	-19	-19
Transaction and transition cost (including cost to sell)	-	-10	-	-10	-10
Net profit for the period from discontinued operations after measurement at fair value less cost to sell	-	-49	-	-54	-54

Basic earnings per share from discontinued operations, EUR - -0.01 - -0.01 -0.01

Diluted earnings per share from discontinued operations, EUR - -0.01 - -0.01 -0.01

Balance sheet - Condensed

EURm	30 Jun 2015	30 Jun 2014
Assets		
Investment in associated undertakings	-	95
Total other assets	-	41
Total assets held for sale	-	136
Liabilities		
Total other liabilities	-	36
Total liabilities held for sale	-	36

Discontinued operations and assets/liabilities held for sale relate to Nordea's earlier announced decision to divest its Polish banking, financing and life insurance operations, including Nordea Bank Polska S.A., Nordea Finance Polska S.A. and Nordea Polska Towarzystwo Ubezpieczen na Zycie S.A., to PKO Bank Polski. All regulatory approvals were received and the transaction closed during the second quarter 2014, when also the operations were derecognised. During the second quarter 2015 the scope of discontinued operations has changed and the IT-operations earlier classified as discontinued operations have been reclassified to continuing operations. The disposal group is excluded from Note 2 "Segment reporting" as this is not part of the reporting to the Chief Operating Decision Maker (CODM). The majority of the business was previously reported in the Retail Banking Poland segment. The impact from discontinued operations on other comprehensive income can be found in the statement of comprehensive income.

Note 13 Risks and uncertainties

Nordea's revenue base reflects the Group's business with a large and diversified customer base, comprising household customers, corporate customers and financial institutions, representing different geographic areas and industries.

Nordea's main risk exposure is credit risk. The Group also assumes risks such as market risk, liquidity risk, operational risk, compliance risk and life insurance risk. For further information on risk composition, see the Annual Report.

None of the above exposures and risks is expected to have any significant adverse effect on the Group or its financial position in the medium term.

Within the framework of the normal business operations, the Group faces claims in civil lawsuits and other disputes, most of which involve relatively limited amounts. None of these disputes are considered likely to have any significant adverse effect on the Group or its financial position in the next six months.

Business definitions

Return on equity

Net profit for the year excluding non-controlling interests as a percentage of average equity for the year. Average equity including net profit for the year and dividend until paid, non-controlling interests excluded.

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.

Risk-adjusted profit

Risk-adjusted profit is defined as total income minus total operating expenses, minus Expected losses and standard tax. In addition, Risk-adjusted profit excludes major non-recurring items.

Tier 1 capital

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

Tier 1 capital ratio

Tier 1 capital as a percentage of risk exposure amount. The Common equity tier 1 capital ratio is calculated as Common equity tier 1 capital as a percentage of risk exposure amount.

Loan loss ratio

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

Impairment rate, gross

Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net

Individually assessed impaired loans after allowances divided by total loans before allowances.

Total allowance rate

Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans

Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to impaired loans (provisioning ratio)

Total allowances divided by total impaired loans before allowances.

Non-performing, not impaired

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

Expected losses

Expected losses reflect the normalised loss level of the individual loan exposure over a business cycle as well as various portfolios.

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.

RAROCAR

RAROCAR, % (Risk-adjusted return on capital at risk) is defined as Risk-adjusted profit in percentage of Economic capital.

ROCAR

ROCAR, % (Return on Capital at Risk) is defined as Net profit 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 business definitions, see the Annual Report.

Nordea Bank AB (publ)

Accounting policies

The financial statements for the parent company, Nordea Bank AB (publ), are prepared in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18). This means that the parent company applies International Financial Reporting Standards (IFRS) as endorsed by the EU Commission to the extent possible within the framework of Swedish accounting legislation and considering the close tie between financial reporting and taxation.

The disclosures in this interim report follow the interim reporting requirements in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559) and the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25, with amendments in FFFS 2009:11, 2011:54, 2013:2, 2013:24 and 2014:18). More information can be found in the Group's interim report.

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2014 Annual Report.

The Swedish Financial Reporting Board has amended the accounting recommendation for legal entities by issuing "RFR 2 Accounting for Legal Entities – January 2015". These amendments were implemented by the parent company 1 January 2015, as a consequence of applying FFFS 2008:25, but have not had any significant impact on the parent company's financial statements.

Other changes implemented by the parent company 1 January 2015 can be found in 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.

Impact on capital adequacy from new or amended IFRS standards

The IASB has issued "Amendments to IAS 27, Equity method in Separate Financial Statements" which allows the equity method when accounting for investments in subsidiaries, joint ventures and associated companies. These amendments have not yet been implemented by the parent company and it has not yet been communicated whether the equity method will be allowed also according to FFFS 2008:25. Nordea's expectation is that the amendments will not have any significant impact on the parent company's financial statements, capital adequacy or large exposures in the period of initial application.

Other, forthcoming changes in IFRS not yet implemented by the parent company can be found in the section "Impact on capital adequacy from new or amended IFRS standards" in Note 1 for the Group. The conclusions within this section are also, where applicable, relevant for the parent company.

Nordea Bank AB (publ)

Income statement

EURm	Q2 2015	Q2 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Operating income					
<i>Interest income</i>	412	526	845	1,020	1,942
<i>Interest expense</i>	-257	-349	-527	-695	-1,293
Net interest income	155	177	318	325	649
<i>Fee and commission income</i>	278	256	561	543	1,093
<i>Fee and commission expense</i>	-70	-73	-138	-135	-273
Net fee and commission income	208	183	423	408	820
Net result from items at fair value	-5	35	74	91	186
Dividends	0	1	261	351	2,333
Other operating income	162	468	321	613	975
Total operating income	520	864	1,397	1,788	4,963
Operating expenses					
General administrative expenses:					
Staff costs	-276	-292	-560	-544	-1,070
Other expenses	-211	-236	-413	-460	-904
Depreciation, amortisation and impairment charges of tangible and intangible assets	-31	-34	-62	-65	-261
Total operating expenses	-518	-562	-1,035	-1,069	-2,235
Profit before loan losses	2	302	362	719	2,728
Net loan losses	-26	-14	-27	-41	-98
Impairment of securities held as financial non-current assets	-	-	-	-	-15
Operating profit	-24	288	335	678	2,615
Appropriations	-	-	-	-	-1
Income tax expense ¹	-74	-2	-94	-12	-189
Net profit for the period	-98	286	241	666	2,425

¹ Includes an adjustment related to prior years amounting to EUR 94m in Q2 2015.

Nordea Bank AB (publ)

Balance sheet

EURm	30 Jun 2015	31 Dec 2014	30 Jun 2014
Assets			
Cash and balances with central banks	73	931	395
Treasury bills	5,371	5,035	4,951
Loans to credit institutions	103,094	86,704	89,283
Loans to the public	45,847	39,809	40,382
Interest-bearing securities	12,102	11,321	11,003
Financial instruments pledged as collateral	211	43	238
Shares	4,898	6,061	4,722
Derivatives	5,429	5,981	4,568
Fair value changes of the hedged items in portfolio hedge of interest rate risk	0	1	-15
Investments in group undertakings	17,791	16,986	17,514
Investments in associated undertakings	7	7	7
Intangible assets	887	758	798
Properties and equipment	140	119	141
Deferred tax assets	7	14	25
Current tax assets	102	50	118
Other assets	2,724	3,727	1,413
Prepaid expenses and accrued income	860	884	1,100
Total assets	199,543	178,431	176,643
Liabilities			
Deposits by credit institutions	30,183	27,452	30,552
Deposits and borrowings from the public	57,719	49,367	49,259
Debt securities in issue	75,309	63,280	64,348
Derivatives	4,046	4,653	3,219
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,127	1,368	1,149
Current tax liabilities	12	4	2
Other liabilities	4,108	2,895	1,685
Accrued expenses and prepaid income	768	642	1,121
Deferred tax liabilities	-	0	0
Provisions	196	206	240
Retirement benefit obligations	175	171	163
Subordinated liabilities	7,491	7,728	6,011
Total liabilities	181,134	157,766	157,749
Untaxed reserves	4	4	3
Equity			
Share capital	4,050	4,050	4,050
Share premium reserve	1,080	1,080	1,080
Other reserves	-14	-5	-7
Retained earnings	13,289	15,536	13,768
Total equity	18,405	20,661	18,891
Total liabilities and equity	199,543	178,431	176,643
Assets pledged as security for own liabilities	1,611	3,946	2,215
Other assets pledged	7,506	9,238	7,375
Contingent liabilities	71,920	71,103	70,679
Credit commitments ¹	25,403	23,824	24,000

¹ Including unutilised portion of approved overdraft facilities of EUR 14,597m (31 Dec 2014: EUR 14,114m, 30 Jun 2014: EUR 13,539m).

Nordea Bank AB (publ)

Note 1 Capital adequacy

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

Summary of items included in own funds

EURm	30 Jun 2015	31 Dec ³ 2014	30 Jun 2014
Calculation of own funds			
Equity in the consolidated situation	18,163	20,661	18,225
Proposed/actual dividend	-	-2,501	-
Common Equity Tier 1 capital before regulatory adjustments	18,163	18,160	18,225
Deferred tax assets	-	-	-
Intangible assets	-887	-758	-798
IRB provisions shortfall (-)	-	-	-
Deduction for investments in credit institutions (50%) ²	-	-	-
Pension assets in excess of related liabilities ¹	-	-	-
Other items, net	-36	-238	-257
Total regulatory adjustments to Common Equity Tier 1 capital	-923	-996	-1,055
Common Equity Tier 1 capital (net after deduction)	17,240	17,164	17,170
Additional Tier 1 capital before regulatory adjustments	2,920	2,800	1,576
Total regulatory adjustments to Additional Tier 1 capital	-30	-32	-
Additional Tier 1 capital	2,890	2,768	1,576
Tier 1 capital (net after deduction)	20,130	19,932	18,746
Tier 2 capital before regulatory adjustments	4,437	4,731	4,435
IRB provisions excess (+)/shortfall (-)	-	55	-
Deduction for investments in credit institutions (50%)	-	-	-
Deductions for investments in insurance companies	-509	-505	-514
Pension assets in excess of related liabilities	-	-	-
Other items, net	-44	-45	-
Total regulatory adjustments to Tier 2 capital	-491	-495	-461
Tier 2 capital	3,946	4,236	3,974
Own funds (net after deduction)²	24,076	24,168	22,720

¹ Based on conditional FSA approval

² Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 24,013m by 30 Jun 2015

³ Including profit

Own Funds including profit

EURm	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital, including profit	17,291	17,164	17,835
Total Own Funds, including profit	24,126	24,168	23,386

Note 1, continued

Minimum capital requirement and REA

EURm	30 Jun 2015 Minimum Capital requirement	30 Jun 2015 REA	31 Dec 2014 Minimum Capital requirement	31 Dec 2014 REA	30 Jun 2014 Minimum Capital requirement	30 Jun 2014 REA
Credit risk	6,413	80,158	5,759	71,986	5,960	74,501
- of which counterparty, credit risk	134	1,677	100	1,249	85	1,063
IRB	2,809	35,113	2,674	33,429	2,826	35,321
- of which corporate	2,320	28,996	2,130	26,622	2,368	29,600
- of which advanced	1,639	20,483	1,461	18,257	1,675	20,934
- of which foundation	681	8,513	669	8,365	693	8,667
- of which institutions	278	3,473	302	3,777	242	3,028
- of which retail	151	1,888	148	1,854	165	2,059
- of which secured by immovable property collateral	7	86	7	86	14	168
- of which other retail	144	1,802	141	1,768	151	1,891
- of which other	60	756	94	1,176	51	634
Standardised	3,604	45,045	3,085	38,557	3,134	39,180
- of which central governments or central banks	7	85	14	174	8	109
- of which regional governments or local authorities	2	20	1	8	1	8
- of which public sector entities	-	-	-	-	-	-
- of which multilateral development banks	-	-	-	-	-	-
- of which international organisations	-	-	-	-	-	-
- of which institutions	1,466	18,324	1,319	16,481	1,309	16,365
- of which corporate	76	954	57	718	84	1,054
- of which retail	27	339	28	345	29	356
- of which secured by mortgages on immovable properties	219	2,740	202	2,530	200	2,507
- of which in default	5	60	5	60	7	82
- of which associated with particularly high risk	-	-	-	-	-	-
- of which covered bonds	-	-	0	0	-	-
- of which institutions and corporates with a short-term cre	-	-	-	-	-	-
- of which collective investments undertakings (CIU)	-	-	-	-	-	-
- of which equity	1,799	22,490	1,451	18,139	1,494	18,679
- of which other items	3	33	8	102	1	13
Credit Value Adjustment Risk	14	178	14	172	14	171
Market risk	257	3,207	218	2,724	211	2,635
- of which trading book, Internal Approach	61	763	42	524	54	679
- of which trading book, Standardised Approach	3	30	2	26	11	133
- of which banking book, Standardised Approach	193	2,414	174	2,174	146	1,823
Operational risk	378	4,730	322	4,028	322	4,028
Standardised	378	4,730	322	4,028	322	4,028
Sub total	7,062	88,273	6,313	78,910	6,507	81,335
Adjustment for Basel I floor						
Additional capital requirement according to Basel I floor	-	-	-	-	-	-
Total	7,062	88,273	6,313	78,910	6,507	81,335

Minimum Capital Requirement & Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers				Capital Buffers total	Total
		CCoB	CCyB	SII	SRB		
Common Equity Tier 1 capital	4.5	2.5	0.1		2.6	7.1	
Tier 1 capital	6.0	2.5	0.1		2.6	8.6	
Own funds	8.0	2.5	0.1		2.6	10.6	
EURm							
Common Equity Tier 1 capital	3,972	2,207	82		2,289	6,262	
Tier 1 capital	5,296	2,207	82		2,289	7,586	
Own funds	7,062	2,207	82		2,289	9,351	

Common Equity Tier 1 available to meet Capital Buffers

Percentage points of REA	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ¹	15.0	17.3	N/A

¹ Including profit of the period.

Note 1, continued**Capital ratios**

Percentage	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit	19.6	21.8	21.9
Tier 1 ratio, including profit	22.9	25.3	23.9
Total Capital ratio, including profit	27.3	30.6	28.8
Common Equity Tier 1 capital ratio, excluding profit and dividend	19.5	21.9	21.1
Tier 1 ratio, excluding profit and dividend	22.8	25.4	23.0
Total Capital ratio, excluding profit and dividend	27.3	30.7	27.9

Capital ratios including Basel I floor

Percentage	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit	19.6	21.8	21.9
Tier 1 ratio, including profit	22.9	25.3	23.9
Total Capital ratio, including profit	27.3	30.6	28.7
Common Equity Tier 1 capital ratio, excluding profit and dividend	19.5	21.9	21.1
Tier 1 ratio, excluding profit and dividend	22.8	25.4	23.0
Total Capital ratio, excluding profit and dividend	27.2	30.7	27.9

Leverage ratio¹

	30 Jun 2015	31 Dec ² 2014	30 Jun 2014
Tier 1 capital, transitional definition, EURm	20,130	20,047	18,829
Leverage ratio exposure, EURm	244,325	225,148	225,461
Leverage ratio, percentage	8.2	8.9	8.4

1. Q2 2015 based on end of month. Q4 2014 and Q2 2014 leverage ratio and volumes based on three month average according to local FSA reporting process

2. Including profit of the period

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:
Corporate, foundation IRB:	5,135	11,684	16,880	10,885	50.4
- of which rating grades 6	1,779	496	2,213	426	19.4
- of which rating grades 5	1,381	3,476	4,978	3,140	33.7
- of which rating grades 4	1,194	6,316	7,631	6,010	59.4
- of which rating grades 3	307	1,176	1,385	1,105	95.7
- of which rating grades 2	62	128	194	122	156.1
- of which rating grades 1	1	2	2	2	250.6
- of which unrated	173	16	188	10	127.7
- of which defaulted	238	74	289	70	0.0
Corporate, advanced IRB:	26,307	33,931	47,452	21,685	43.2
- of which rating grades 6	699	1,705	1,695	1,048	12.3
- of which rating grades 5	6,450	12,322	13,226	6,818	24.9
- of which rating grades 4	15,468	15,829	25,805	10,577	44.7
- of which rating grades 3	2,629	3,065	5,083	2,534	65.5
- of which rating grades 2	597	470	919	432	122.8
- of which rating grades 1	53	63	81	35	151.4
- of which unrated	159	334	342	192	83.5
- of which defaulted	252	143	301		192.2
Institutions, foundation IRB:	14,891	1,097	16,841	382	20.6
- of which rating grades 6	6,714	323	7,110	39	9.0
- of which rating grades 5	7,950	391	9,248	100	27.3
- of which rating grades 4	185	345	446	241	59.5
- of which rating grades 3	25	35	27	2	97.8
- of which rating grades 2	8	1	0	0	173.8
- of which rating grades 1	0		0		239.3
- of which unrated	9	2	10	0	159.1
- of which defaulted					
Retail, of which secured by real estate:	845	282	1,056	211	8.2
- of which scoring grades A	331	133	431	100	2.9
- of which scoring grades B	285	85	348	64	6.9
- of which scoring grades C	175	54	215	40	13.6
- of which scoring grades D	44	10	51	7	24.4
- of which scoring grades E					
- of which scoring grades F	3	0	3	0	64.4
- of which not scored	1	0	1	0	22.4
- of which defaulted	6	0	7	0	89.3
Retail, of which other retail:	3,570	2,757	5,519	1,951	32.6
- of which scoring grades A	1,107	1,477	2,171	1,064	10.7
- of which scoring grades B	1,177	671	1,655	479	23.0
- of which scoring grades C	655	372	908	253	38.0
- of which scoring grades D	281	161	385	105	48.7
- of which scoring grades E	159	46	189	30	53.9
- of which scoring grades F	76	13	85	9	80.3
- of which not scored	7	7	11	4	54.7
- of which defaulted	108	10	115	7	417.5
Other non credit-obligation assets:	756	12	756	0	100.0

Nordea does not have the following IRB exposure classes: equity exposures, items representing securitisation positions, central governments and central banks, qualifying revolving retail.

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

Note 1, continued

Capital requirements for market risk

EURm	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other ¹	12	1	0	0	-	-	12	1
Equity risk	153	12	30	3	-	-	183	15
Foreign exchange risk	22	2	-	-	2,414	193	2,436	195
Commodity risk	-	-	-	-	-	-	-	-
Settlement risk	-	-	0	0	0	0	0	0
Diversification effect	-5	0	-	-	-	-	-5	0
Stressed Value-at-Risk	-	-	-	-	-	-	-	-
Incremental Risk Measure	506	40	-	-	-	-	506	40
Comprehensive Risk Measure	75	6	-	-	-	-	75	6
Total	763	61	30	3	2,414	193	3,207	257

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.

For further information:

- A press conference with management will be held on 16 July at 10.30 CET, at Smålandsgatan 17, Stockholm.
- An international telephone conference for analysts with management will be held on 16 July at 14.30 CET. Please dial +44(0)20 3427 1904, confirmation code 6812385#, no later than ten minutes in advance. The telephone conference can be viewed live on www.nordea.com. An indexed on-demand version will also be available on www.nordea.com. A replay will be available until 23 July by dialling +44(0)20 3427 0598, access code 6812385#.
- An analyst and investor presentation will be held in London on 17 July at 08.00 local time at The Langham, 1c Portland Place, Regent Street, London
- This quarterly report, an investor presentation and a fact book are available on www.nordea.com.

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Financial calendar

21 October 2015 – Third quarter results 2015 (silent period starts 7 October 2015)

The Board of Directors and the President and Group CEO certify that the half-year 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.

Stockholm 16 July 2015

Björn Wahlroos
Chairman

Marie Ehrling
Vice Chairman

Kari Ahola
Board member¹

Tom Knutzen
Board member

Robin Lawther
Board member

Toni H. Madsen
Board member¹

Lars G Nordström
Board member

Lars Oddestad
Board member¹

Sarah Russell
Board member

Silvija Seres
Board member

Kari Stadigh
Board member

Birger Steen
Board member

Christian Clausen
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.

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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 2015 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, 16 July 2015

Öhrlings PricewaterhouseCoopers AB

Peter Clemedtson
Authorized Public Accountant
Lead Partner

Catarina Ericsson
Authorized Public Accountant

EXTRACTS FROM NBF SECOND QUARTER REPORT 2015

Income statement

EURm	Note	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Operating income				
<i>Interest income</i>		781	923	1,806
<i>Interest expense</i>		-254	-328	-617
Net interest income		527	595	1,189
<i>Fee and commission income</i>		382	400	794
<i>Fee and commission expense</i>		-355	-360	-719
Net fee and commission income	3	27	40	75
Net result from items at fair value	4	786	556	970
Profit from companies accounted for under the equity method		2	1	3
Other operating income		47	27	41
Total operating income		1,389	1,219	2,278
Operating expenses				
General administrative expenses:				
Staff costs		-264	-296	-559
Other expenses		-202	-221	-433
Depreciation, amortisation and impairment charges of tangible and intangible assets		-14	-21	-92
Total operating expenses		-480	-538	-1,084
Profit before loan losses		909	681	1,194
Net loan losses	6	-55	-49	-60
Operating profit		854	632	1,134
Income tax expense		-198	-126	-232
Net profit for the period		656	506	902
Attributable to:				
Shareholders of Nordea Bank Finland Plc		656	506	902
Non-controlling interests		-	-	-
Total		656	506	902

Statement of comprehensive income

EURm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Net profit for the period	656	506	902
Items that may be reclassified subsequently to the income statement			
Currency translation differences during the period	0	0	0
Available-for-sale investments ¹ :			
-Valuation gains/losses during the period	-4	13	33
-Tax on valuation gains/losses during the period	1	-3	-7
Cash flow hedges:			
-Valuation gains/losses during the period	19	-27	8
-Tax on valuation gains/losses during the period	-4	5	-2
Items that may not be reclassified subsequently to the income statement			
Defined benefit plans:			
-Remeasurement of defined benefit plans	-58	-58	-104
-Tax on remeasurement of defined benefit plans	12	12	21
Other comprehensive income, net of tax	-58	-58	-51
Total comprehensive income	714	448	851
Attributable to:			
Shareholders of Nordea Bank Finland Plc	714	448	851
Non-controlling interests	-	-	-
Total	714	448	851

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

Balance sheet

EURm	Note	30 Jun 2015	31 Dec 2014	30 Jun 2014
Assets				
Cash and balances with central banks		39,511	28,846	23,038
Loans to central banks	7	4,300	300	1,663
Loans to credit institutions	7	44,956	35,051	44,117
Loans to the public	7	116,430	113,748	110,951
Interest-bearing securities		34,300	34,643	36,817
Financial instruments pledged as collateral		9,372	11,058	9,532
Shares		2,088	1,918	895
Derivatives		85,894	105,254	78,467
Fair value changes of the hedged items in portfolio hedge of interest rate risk		58	76	77
Investments in associated undertakings		39	39	37
Intangible assets		47	47	95
Properties and equipment		76	84	91
Investment property		1	2	2
Deferred tax assets		11	43	35
Current tax assets		1	0	0
Retirement benefit assets		86	25	133
Other assets		18,015	14,624	10,996
Prepaid expenses and accrued income		437	440	577
Total assets		355,622	346,198	317,523
Liabilities				
Deposits by credit institutions		113,979	87,368	87,323
Deposits and borrowings from the public		81,868	76,879	76,936
Debt securities in issue		37,256	48,472	44,782
Derivatives		88,120	102,876	73,287
Fair value changes of the hedged items in portfolio hedge of interest rate risk		490	773	672
Current tax liabilities		64	41	10
Other liabilities		22,549	18,577	23,771
Accrued expenses and prepaid income		631	804	850
Deferred tax liabilities		58	57	53
Provisions		74	85	101
Retirement benefit obligations		27	28	76
Subordinated liabilities		624	620	447
Total liabilities		345,740	336,580	308,308
Equity				
Non-controlling interests		-	-	1
Share capital		2,319	2,319	2,319
Share premium reserve		599	599	599
Other reserves		2,882	2,824	2,817
Retained earnings		4,082	3,876	3,479
Total equity		9,882	9,618	9,215
Total liabilities and equity		355,622	346,198	317,523
Assets pledged as security for own liabilities		42,134	43,426	36,368
Other assets pledged		5,772	5,017	6,721
Contingent liabilities		13,176	14,906	14,470
Credit commitments ¹		13,679	16,021	16,269
Other commitments		437	769	395

¹ Including unutilised portion of approved overdraft facilities of EUR 7,370m (31 Dec 2014: EUR 7,760m, 30 Jun 2014: EUR 11,012m).

Statement of changes in equity

Attributable to shareholders of Nordea Bank Finland Plc

EURm	Other reserves:							Total	Non-control-ling interests	Total equity
	Share capital ¹	Share premium reserve	Cash flow hedges	Available-for-sale invest-ments	Other reserves	Defined benefit plans	Retained earnings			
Balance at 1 Jan 2015	2,319	599	-2	43	2,848	-65	3,876	9,618	-	9,618
Net profit for the period							656	656		656
Other comprehensive income, net of tax			15	-3	-	46	0	58		58
<i>Total comprehensive income</i>			15	-3	-	46	656	714	-	714
Share-based payments							0	0		0
Dividend for 2014							-450	-450		-450
Balance at 30 Jun 2015	2,319	599	13	40	2,848	-19	4,082	9,882	-	9,882

Attributable to shareholders of Nordea Bank Finland Plc

EURm	Other reserves:							Total	Non-control-ling interests	Total equity
	Share capital ¹	Share premium reserve	Cash flow hedges	Available-for-sale invest-ments	Other reserves	Defined benefit plans	Retained earnings			
Balance at 1 Jan 2014	2,319	599	-8	17	2,848	18	3,720	9,513	1	9,514
Net profit for the period							902	902		902
Other comprehensive income, net of tax			6	26	-	-83	0	-51		-51
<i>Total comprehensive income</i>			6	26	-	-83	902	851	-	851
Share-based payments							2	2		2
Dividend for 2013							-750	-750		-750
Other changes					0		2	2	-1	1
Balance at 31 Dec 2014	2,319	599	-2	43	2,848	-65	3,876	9,618	0	9,618

¹ Total shares registered were 1,030.8 million (31 Dec 2014: 1,030.8 million, 30 Jun 2014: 1,030.8 million).

Statement of changes in equity, *continued*

Attributable to shareholders of Nordea Bank Finland Plc										
EURm	Share capital ¹	Share premium reserve	Cash flow hedges	Other reserves:			Retained earnings	Total	Non-control-ling interests	Total equity
				Available-for-sale invest-ments	Other reserves	Defined benefit plans				
Balance at 1 Jan 2014	2,319	599	-8	17	2,848	18	3,720	9,513	1	9,514
Net profit for the period							506	506		506
Other comprehensive income, net of tax			-22	10	0	-46	0	-58		-58
<i>Total comprehensive income</i>			-22	10	0	-46	506	448	-	448
Share-based payments							2	2		2
Dividend for 2013							-750	-750		-750
Other changes							1	1		1
Balance at 30 Jun 2014	2,319	599	-30	27	2,848	-28	3,479	9,214	1	9,215

¹ Total shares registered were 1,030.8 million (31 Dec 2014: 1,030.8 million, 30 Jun 2014: 1,030.8 million).

Cash flow statement, condensed – Total operations

EURm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
<i>Operating activities</i>			
Operating profit	854	619	1,073
Operating profit for the period from transferred operations	-	13	61
Adjustments for items not included in cash flow	1,270	722	891
Income taxes paid	-158	-137	-218
Cash flow from operating activities before changes in operating assets and liabilities	1,966	1,217	1,807
Changes in operating assets and liabilities	12,308	-12,074	-13,327
Cash flow from operating activities	14,274	-10,857	-11,520
<i>Investing activities</i>			
Sale/acquisition of business operations	0	33	31
Properties and equipment	-13	-40	-47
Intangible assets	-6	-7	-20
Net investments in debt securities, held to maturity	0	1,620	2,183
Other financial fixed assets	1	-3	2
Cash flow from investing activities	-18	1,603	2,149
<i>Financing activities</i>			
Issued/amortised subordinated liabilities	4	18	191
Dividend paid	-450	-750	-750
Other changes	140	-35	-34
Cash flow from financing activities	-306	-767	-593
Cash flow for the period	13,950	-10,021	-9,964
Cash and cash equivalents at beginning of the period	29,714	36,324	36,324
Translation difference	-1,910	-312	-3,354
Cash and cash equivalents at end of the period	45,574	26,615	29,714
Change	13,950	-10,021	-9,964
Cash and cash equivalents	30 Jun	30 Jun	31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2015</u>	<u>2014</u>	<u>2014</u>
Cash and balances with central banks	39,511	23,039	28,846
Loans to credit institutions	6,063	3,576	868
Total cash and cash equivalents	45,574	26,615	29,714

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

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

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

Notes to the financial statements

Note 1 Accounting policies

NBF's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of such standards by the International Financial Reporting Standards Interpretations Committee (IFRS IC), as endorsed by the EU Commission. In addition, certain rules in the Finnish Accounting Act, the Finnish Credit Institutions Act, the Financial Supervisory Authority's regulations and guidelines and the Decree of the Ministry of Finance on the financial statements and consolidated financial statements of credit institutions, have also been applied.

These statements are presented in accordance with IAS 34 "Interim Financial Reporting". The interim report is unaudited.

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the 2014 Annual Report.

The following amendments published by the IASB were implemented on 1 January 2015 but have not had any significant impact on Nordea's financial statements:

- Amendments to IAS 19 "Defined benefit plans: Employee Contributions"
- Annual Improvements to IFRSs, 2010–2012 Cycle
- Annual Improvements to IFRSs, 2011–2013 Cycle
- IFRIC 21 "Levies"

IFRIC 21 "Levies"

The new interpretation IFRIC 21 "Levies", published by IASB was implemented on 1 January 2015. IFRIC 21 is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IFRIC 21 clarifies that if a levy is triggered by operating as a bank at the end of the reporting period, the liability for the levy is not recognised prior that date.

Impact on capital adequacy from new or amended IFRS standards

IFRS 9 "Financial instruments"

IFRS 9 "Financial Instruments" covering classification and measurement, impairment and general hedging has been adopted by the IASB but has not yet been implemented by Nordea.

The changes in classification and measurement are not expected to have a significant impact on Nordea's income statement or balance sheet as the mixed measurement model will be maintained. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy or large exposures are not expected, but this is naturally dependent on the financial instruments on Nordea's balance sheet at transition.

The impairment requirements in IFRS 9 are based on an expected loss model as opposed to the current incurred loss model in IAS 39. At transition, it is expected that the new requirements will have a negative impact on loan loss provisions, equity and capital adequacy, while we do not expect any significant impact over time. Nordea has not yet finalised any impact assessment.

The main change to the general hedging requirements is that the standard aligns hedge accounting more closely with the risk management activities. As Nordea generally uses macro (portfolio) hedge accounting Nordea's assessment is that the new requirements will not have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

IFRS 15 "Revenue from Contracts with Customers"

The IASB has also adopted IFRS 15 "Revenue from Contracts with Customers". The new standard has not yet been implemented by Nordea. It is not expected that the standard will have any significant impact on Nordea's financial statements, capital adequacy or large exposures in the period of initial application.

Other amendments to IFRS

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

Note 2 Segment reporting

	Operating segments					
	Retail Banking		Wholesale Banking		Group Corporate Centre	
	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
EURm						
Total operating income	844	826	669	586	34	24
Operating profit	439	351	560	485	5	-7
Loans to the public	54,405	53,155	61,970	57,471	1	-1
Deposits and borrowings from the public	34,276	33,655	41,220	41,281	6,095	2

	Total Operating segments		Reconciliation		Total Group	
	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
	EURm					
Total operating income	1,547	1,436	-158	-217	1,389	1,219
Operating profit	1,004	829	-150	-197	854	632
Loans to the public	116,376	110,625	54	326	116,430	110,951
Deposits and borrowings from the public	81,591	74,938	277	1,998	81,868	76,936

Break-down of Retail Banking

	Retail Banking Nordic ¹		Retail Banking Baltic countries ²		Retail Banking Other ³		Retail Banking	
	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014	Jan-Jun 2015	Jan-Jun 2014
	EURm							
Total operating income	812	756	23	60	9	10	844	826
Operating profit	424	359	16	-9	-1	1	439	351
Loans to the public	45,965	45,066	1,517	1,446	6,923	6,643	54,405	53,155
Deposits and borrowings from the public	34,274	33,641	-	9	2	5	34,276	33,655

¹Retail Banking Nordic includes banking operations in Finland

²Retail Banking Baltic countries include operations in Estonia, Latvia and Lithuania.

³Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT.

Note 2, continued

Break-down of Wholesale Banking

EURm	Corporate & Institutional Banking		Shipping, Offshore & Oil Services	
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2015	2014	2015	2014
Total operating income	162	200	51	72
Operating profit	102	118	37	78
Loans to the public	8,480	9,829	3,122	4,205
Deposits and borrowings from the public	10,136	10,188	914	2,220

EURm	Capital Markets unallocated		Wholesale Banking Other ⁴		Wholesale Banking	
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2015	2014	2015	2014	2015	2014
Total operating income	404	264	52	50	669	586
Operating profit	381	247	40	42	560	485
Loans to the public	50,091	43,162	276	275	61,970	57,471
Deposits and borrowings from the public	30,069	28,495	100	378	41,220	41,281

⁴Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT .

Reconciliation between total operating segments and financial statements

EURm	Operating profit		Loans to the public		Deposits and borrowings from the public	
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun
	2015	2014	2015	2014	2015	2014
Total Operating segments	1,004	829	116,376	110,625	81,591	74,938
Group functions ¹ and unallocated items	-150	-197	54	326	277	1,998
Total	854	632	116,430	110,951	81,868	76,936

¹ Consists of Group Risk Management, Group Internal Audit, Group Identity & Communications, Group Human Resources and Group Executive Management.

Measurement of operating segments' performance

The measurement principles and allocation between operating segments follow the information reported to the Chief Operating Decision Maker (CODM), as required by IFRS 8. In NBF the CODM has been defined as Group Executive Management.

Financial results are presented for the main business areas Retail Banking and Wholesale Banking, with a further breakdown on operating segments, and the operating segment Group Corporate Centre. Other operating segments below the quantitative thresholds in IFRS 8 are included in Other operating segments. Group functions and eliminations are shown separately as reconciling items.

Note 3 Net fee and commission income

EURm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Asset management commissions	44	33	69
Life insurance	6	4	9
Brokerage, securities issues and corporate finance	41	34	75
Custody and issuer services	13	19	28
Deposits	1	2	5
Total savings and investments	105	92	186
Payments	98	101	198
Cards	64	63	128
Total payments and cards	162	164	326
Lending	45	66	129
Guarantees and documentary payments	53	61	120
Total lending related commissions	98	127	249
Other commission income	17	17	33
Fee and commission income	382	400	794
Savings and investments	-208	-184	-360
Payments	-4	-5	-11
Cards	-29	-29	-58
Other commission expenses ¹	-114	-142	-290
Fee and commission expenses	-355	-360	-719
Net fee and commission income	27	40	75

¹ Mainly consists of the guarantee commission fee paid to Nordea Bank AB (publ)

Note 4 Net result from items at fair value

EURm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Equity related instruments	70	-116	342
Interest related instruments and foreign exchange gains/losses	672	565	235
Other financial instruments (including credit and commodities)	45	118	406
Investment properties	-1	-11	-13
Total	786	556	970

Note 5 Other expenses

EURm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Information technology	-91	-92	-196
Marketing and representation	-8	-11	-22
Postage, transportation, telephone and office expenses	-17	-20	-38
Rents, premises and real estate expenses	-37	-48	-89
Other	-49	-50	-88
Total	-202	-221	-433

Note 6 Net loan losses

EURm	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Loan losses divided by class			
Realised loan losses	-	-	-2
Allowances to cover realised loan losses	-	-	2
Recoveries on previous realised loan losses	0	-	0
Provisions	-	0	0
Reversal of previous provisions	-	-	22
Loans to credit institutions	0	0	22
Realised loan losses	-70	-73	-114
Allowances to cover realised loan losses	52	80	127
Recoveries on previous realised loan losses	7	13	28
Provisions	-69	-120	-223
Reversal of previous provisions	27	59	101
Loans to the public	-53	-41	-81
Realised loan losses	-	-	-
Allowances to cover realised loan losses	-	-	-
Recoveries on previous realised loan losses	-	-	-
Provisions	-2	-9	-14
Reversal of previous provisions	0	1	13
Off-balance sheet items	-2	-8	-1
Total	-55	-49	-60

Key ratios

	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
Loan loss ratio, basis points ¹	10	9	5
- of which individual	11	9	4
- of which collective	-1	-1	2

¹ Net loan losses (annualised) divided by closing balance of loans to the public (lending).

Note 7 Loans and impairment

EURm	Total		
	30 Jun 2015	31 Dec 2014	30 Jun 2014
Loans, not impaired	165,235	148,254	155,952
Impaired loans	1,060	1,480	1,427
- of which performing	436	823	783
- of which non-performing	624	657	644
Loans before allowances	166,295	149,734	157,379
Allowances for individually assessed impaired loans	-501	-516	-551
- of which performing	-253	-323	-342
- of which non-performing	-248	-193	-209
Allowances for collectively assessed impaired loans	-108	-119	-97
Allowances	-609	-635	-648
Loans, carrying amount	165,686	149,099	156,731

EURm	Central banks and credit institutions			The public		
	30 Jun 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Dec 2014	30 Jun 2014
Loans, not impaired	49,256	35,351	45,781	115,979	112,903	110,171
Impaired loans	0	0	24	1,060	1,480	1,403
- of which performing	-	-	-	436	823	783
- of which non-performing	0	0	24	624	657	620
Loans before allowances	49,256	35,351	45,805	117,039	114,383	111,574
Allowances for individually assessed impaired loans	-	-	-25	-501	-516	-526
- of which performing	-	-	-	-253	-323	-342
- of which non-performing	-	-	-25	-248	-193	-184
Allowances for collectively assessed impaired loans	0	0	-	-108	-119	-97
Allowances	0	0	-25	-609	-635	-623
Loans, carrying amount	49,256	35,351	45,780	116,430	113,748	110,951

Allowances and provisions

EURm	30 Jun 2015	31 Dec 2014	30 Jun 2014
Allowances for items on the balance sheet	-609	-635	-648
Provisions for off balance sheet items	-32	-31	-38
Total allowances and provisions	-641	-666	-686

Key ratios

	30 Jun 2015	31 Dec 2014	30 Jun 2014
Impairment rate, gross ¹ , basis points	64	99	91
Impairment rate, net ² , basis points	34	64	56
Total allowance rate ³ , basis points	37	42	41
Allowances in relation to impaired loans ⁴ , %	47	35	39
Total allowances in relation to impaired loans ⁵ , %	57	43	45
Non-performing, not impaired ⁶ , EURm	131	28	22

¹ Individually assessed impaired loans before allowances divided by total loans before allowances.

² Individually assessed impaired loans after allowances divided by total loans before allowances.

³ Total allowances divided by total loans before allowances.

⁴ Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

⁵ Total allowances divided by total impaired loans before allowances.

⁶ Past due loans, not impaired due to future cash flows (included in Loans, not impaired).

Note 8 Classification of financial instruments

EURm	Loans and receivables	Held to maturity	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	39,511						39,511
Loans to central banks			4,300				4,300
Loans to credit institutions	38,593		6,363				44,956
Loans to the public	66,339		50,091				116,430
Interest-bearing securities		67	25,273			8,960	34,300
Financial instruments pledged as collateral			9,372				9,372
Shares			2,080	8			2,088
Derivatives			85,072		822		85,894
Fair value changes of the hedged items in portfolio hedge of interest rate risk	58						58
Other assets	4,707			13,016			17,723
Prepaid expenses and accrued income	91						91
Total 30 Jun 2015	149,299	67	182,551	13,024	822	8,960	354,723
Total 31 Dec 2014	128,934	66	190,598	12,984	942	11,805	345,329
Total 30 Jun 2014	132,446	562	165,358	7,027	839	10,292	316,524

EURm	Held for trading	Designated at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	33,799			80,180	113,979
Deposits and borrowings from the public	30,069			51,799	81,868
Debt securities in issue	7,778			29,478	37,256
Derivatives	87,823		297		88,120
Fair value changes of the hedged items in portfolio hedge of interest rate risk				490	490
Other liabilities	7,977	8,534		5,840	22,351
Accrued expenses and prepaid income				181	181
Subordinated liabilities				624	624
Total 30 Jun 2015	167,446	8,534	297	168,592	344,869
Total 31 Dec 2014	167,819	10,061	312	157,357	335,549
Total 30 Jun 2014	145,305	6,984	353	154,781	307,423

Note 9 Fair value of financial assets and liabilities

EURm	30 Jun 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	39,511	39,511	28,846	28,846
Loans	165,686	165,107	149,099	147,874
Interest-bearing securities	34,300	34,303	34,643	34,647
Financial instruments pledged as collateral	9,372	9,372	11,058	11,058
Shares	2,088	2,088	1,918	1,918
Derivatives	85,894	85,894	105,254	105,254
Fair value changes of the hedged items in portfolio hedge of interest rate risk	58	58	76	76
Other assets	18,276	18,276	14,864	14,862
Prepaid expenses and accrued income	437	437	440	440
Total	355,622	355,046	346,198	344,975
Financial liabilities				
Deposits and debt instruments	233,103	233,260	212,719	212,954
Derivatives	88,120	88,120	102,876	102,876
Fair value changes of the hedged items in portfolio hedge of interest rate risk	490	490	773	773
Other liabilities	22,772	22,772	18,788	18,787
Accrued expenses and prepaid income	631	631	804	804
Subordinated liabilities	624	624	620	620
Total	345,740	345,897	336,580	336,814

The determination of fair value is described in the Annual Report 2014, Note 40 "Assets and liabilities at fair value". The fair value for loans has 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 Retail Banking and Wholesale Banking respectively.

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

Categorisation into the fair value hierarchy

EURm	Quoted prices in active markets for the same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using non-observable data (Level 3)	Total
Assets at fair value on the balance sheet¹				
Loans to central banks		4,300		4,300
Loans to credit institutions		6,363		6,363
Loans to the public		50,091		50,091
Interest-bearing securities	13,259	20,902	72	34,233
Financial instruments pledged as collateral	4,375	4,997		9,372
Shares	1,684		404	2,088
Derivatives	183	84,063	1,648	85,894
Other assets		13,016		13,016
Total 30 Jun 2015	19,501	183,732	2,124	205,357
Total 31 Dec 2014	26,211	188,143	1,977	216,331
Liabilities at fair value on the balance sheet¹				
Deposits by credit institutions		33,799		33,799
Deposits and borrowings from the public		30,069		30,069
Debt securities in issue		7,778		7,778
Derivatives	240	86,213	1,667	88,120
Other liabilities	6,638	9,873		16,511
Total 30 Jun 2015	6,878	167,732	1,667	176,277
Total 31 Dec 2014	4,176	172,378	1,638	178,192

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

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

For information about valuation techniques and inputs used in the fair value measurement, see the Annual Report 2014, Note 40 "Asset and liabilities at fair value".

Transfers between Level 1 and 2

During the period, NBF transferred interest-bearing securities (including such financial instruments pledged as collateral) of EUR 20m from Level 1 to Level 2 and EUR 16m from Level 2 to Level 1 of the fair value hierarchy. NBF also transferred derivative assets of EUR 9m from Level 1 to Level 2 and EUR 99m from Level 2 to Level 1 and derivative liabilities EUR 86m from Level 1 to Level 2 and EUR 137m 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 have also occurred following the implementation of an improved and more granular classification approach. Transfers between levels are considered to have occurred at the end of the reporting period.

Movements in Level 3

EURm	Fair value gains/losses recognised in the income statement during the year			Purchases/ Issues	Sales
	1 Jan	Realised	Unrealised		
Interest-bearing securities	77	1	11	32	-46
Shares	453	-27	23		-45
Derivatives (net)	-191	46	-151		
Total 2015, net	339	20	-117	32	-91
Total 2014, net	964	-483	-363	115	-411

EURm	Settlements	Transfers into	Transfers out	Translation differences	30 Jun
		Level 3	of Level 3		
Interest-bearing securities	-1		-2		72
Shares					404
Derivatives (net)	-47	450	-126		-19
Total 2015, net	-48	450	-128	-	457
Total 2014, net	517	-	-	-	339

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. During the period NBF transferred derivatives (net) of EUR 450m from Level 2 to Level 3 and EUR -126m from Level 3 to Level 2. The reason for the transfer from Level 3 to Level 2 was that observable market data became available. The reason for the transfer from Level 2 to Level 3 was that observable market data was no longer available. Transfers have also occurred following the implementation of an improved and more granular classification approach. 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 2014 Note 40 "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 2014 Note 1 "Accounting policies". The table below shows the aggregate difference yet to be recognised in the income statement at the beginning and end of the period and a reconciliation of how this aggregated difference has changed during the period (movement of deferred Day 1 profit).

Deferred day 1 profit - Derivatives (net)

EURm	2015	2014
Opening balance at 1 Jan	-44	41
Deferred profit on new transactions	-10	7
Recognised in the income statement during the period	4	-7
Closing balance at 30 Jun	-50	41

Note 10, continued

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

EURm	Fair value	Valuation techniques	Unobservable input	Range of fair value ²
Interest-bearing securities				
Mortgage and other credit institutions	72	Discounted cash flow	Credit spread	-6/6
Corporates	-			-
Other	-			-
Total 30 Jun 2015	72			-13/13
Total 31 Dec 2014	77			-7/7
Shares				
Private equity funds	278	Net asset value ¹		
Hedge funds	120	Net asset value ¹		
Other	6			-
Total 30 Jun 2015	404			
Total 31 Dec 2014	453			
Derivatives, net				
Interest rate derivatives	134	Option model	Correlations Volatilities	-16/12
Equity derivatives	-156	Option model	Correlations Volatilities Dividend	-21/14
Foreign exchange derivatives	-34	Option model	Correlations Volatilities	+/-0
Credit derivatives	-6	Credit derivate model	Correlations Recovery rates	-10/11
Other	43	Option model	Correlations Volatilities	+/-0
Total 30 Jun 2015	-19			-47/37
Total 31 Dec 2014	-191			-40/30

¹ The fair values are based on prices and net assets 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 the EVCA (European Venture Capital Association).

² 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 2014, Note 40 "Assets and liabilities at fair value".

Note 11 Capital adequacy**Summary of items included in own funds**

EURm	30 Jun 2015	31 Dec ³ 2014	30 Jun 2014
Calculation of own funds			
Equity in consolidated situation	9,226	9,618	8,708
Proposed/actual dividend		-450	
Common Equity Tier 1 capital before regulatory adjustments	9,226	9,168	8,708
Deferred tax assets			
Intangible assets	-47	-47	-95
IRB provisions shortfall (-)	-175	-237	-209
Deductions for investments in credit institutions (50%)			
Pension assets in excess of related liabilities ¹	-69	-16	-65
Other items, net	-230	-414	-303
Total regulatory adjustments to Common Equity Tier 1 capital	-521	-714	-672
Common Equity Tier 1 capital (net after deduction)	8,705	8,454	8,036
Additional Tier 1 capital before regulatory adjustments	550	550	
Total regulatory adjustments to Additional Tier 1 capital			
Additional Tier 1 capital	550	550	-
Tier 1 capital (net after deductions)	9,255	9,004	8,036
Tier 2 capital before regulatory adjustments	73	69	72
IRB provisions excess (+)			
Deductions for investments in credit institutions (50%)			
Deductions for investments in insurance companies			
Pension assets in excess of related liabilities			
Other items, net			
Total regulatory adjustments to Tier 2 capital	-	-	-
Tier 2 capital	73	69	72
Own funds (net after deductions)²	9,328	9,073	8,108

¹ Based on conditional FSA approval² Own funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 9,504m by 30 Jun 2015³ Including profit**Own funds including profit**

EURm	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital, including profit	9,436	8,454	8,542
Total own funds, including profit	10,059	9,073	8,614

Note 11, continued

Minimum capital requirement and REA						
	30 Jun 2015	30 Jun 2015	31 Dec 2014	31 Dec 2014	30 Jun 2014	30 Jun 2014
EURm	Minimum capital requirement	REA	Minimum capital requirement	REA	Minimum capital requirement	REA
Credit risk	2,897	36,212	3,059	38,231	3,105	38,808
- of which counterparty credit risk	567	7,093	663	8,285	549	6,864
IRB	1,925	24,064	2,200	27,496	1,916	23,948
- of which corporate	1,085	13,564	1,358	16,976	1,205	15,067
- of which advanced	722	9,026	488	6,103	426	5,326
- of which foundation	363	4,538	870	10,873	779	9,741
- of which institutions	335	4,192	358	4,465	386	4,829
- of which retail	485	6,058	465	5,816	307	3,835
- of which secured by immovable property collateral	205	2,556	184	2,300	221	2,763
- of which other retail	280	3,502	281	3,516	86	1,072
- of which other	20	250	19	239	17	217
Standardised	972	12,148	859	10,735	1,189	14,860
- of which central governments or central banks	3	42	17	208	14	175
- of which regional governments or local authorities	13	165	14	170	10	131
- of which public sector entities	2	25	2	20	1	14
- of which multilateral development banks	0	0				
- of which international organisations						
- of which institutions	767	9,592	692	8,663	811	10,140
- of which corporate	89	1,114	79	995	86	1,070
- of which retail	33	416	32	395	219	2,734
- of which secured by mortgages on immovable properties					14	179
- of which in default	1	14	1	13	13	160
- of which associated with particularly high risk						
- of which covered bonds	4	43	12	145	9	115
- of which institutions and corporates with a short-term credit assessment						
- of which collective investments undertakings (CIU)						
- of which equity	5	56	4	54	4	58
- of which other items	55	681	6	72	7	85
Credit Value Adjustment Risk	154	1,915	172	2,153	259	3,238
Market risk	490	6,131	443	5,536	676	8,452
- of which trading book, Internal Approach	363	4,533	298	3,720	457	5,713
- of which trading book, Standardised Approach	122	1,531	135	1,690	207	2,590
- of which banking book, Standardised Approach	5	67	10	126	12	149
Operational risk	338	4,229	366	4,579	366	4,579
Standardised	338	4,229	366	4,579	366	4,579
Sub total	3,879	48,487	4,040	50,499	4,406	55,078
Adjustment for Basel I floor						
Additional capital requirement according to Basel I floor	1,009	12,610	862	10,776	215	2,690
Total	4,888	61,097	4,902	61,275	4,621	57,768

Note 11, continued

Minimum capital requirement and Capital Buffers

Percentage	Minimum capital requirement	Capital Buffers				Capital Buffers total	Total
		CCoB	CCyB	SII	SRB		
Common Equity Tier 1 capital	4.5	2.5	0.1			2.6	7.1
Tier 1 capital	6	2.5	0.1			2.6	8.6
Own funds	8	2.5	0.1			2.6	10.6
EURm							
Common Equity Tier 1 capital	2,182	1,212	28			1,240	3,422
Tier 1 capital	2,909	1,212	28			1,240	4,150
Own funds	3,879	1,212	28			1,240	5,119

Common Equity Tier 1 available to meet Capital Buffers

Percentage points of REA	30 Jun 2015	31 Dec ¹ 2014	30 Jun 2014
Common Equity Tier 1 capital	11.2	10.0	N/A

¹Including profit of the period

Capital ratios

Percentage	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit	19.5	16.7	15.5
Tier 1 ratio, including profit	20.6	17.8	15.5
Total capital ratio, including profit	20.7	18.0	15.6
Common Equity Tier 1 capital ratio, excluding profit	18.0	15.8	14.6
Tier 1 ratio, excluding profit	19.1	16.9	14.6
Total Capital ratio, excluding profit	19.2	17.0	14.7

Capital ratios including Basel I floor

Percentage	30 Jun 2015	31 Dec 2014	30 Jun 2014
Common Equity Tier 1 capital ratio, including profit	15.7	14.2	14.8
Tier 1 ratio, including profit	16.6	15.1	14.8
Total capital ratio, including profit	16.8	15.2	14.9
Common Equity Tier 1 capital ratio, excluding profit	14.5	13.4	13.9
Tier 1 ratio, excluding profit	15.4	14.3	13.9
Total Capital ratio, excluding profit	15.6	14.4	14.0

Leverage ratio

	30 Jun 2015	31 Dec ¹ 2014	30 Jun 2014
Tier 1 capital, transitional definition, EURm	9,255	9,004	8,036
Leverage ratio exposure, EURm	296,425	269,431	258,952
Leverage ratio, percentage	3.1	3.3	3.1

¹Including profit of the period

Note 11, continued

Credit risk exposures for which internal models are used, split by rating grade, 30 Jun 2015

	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:
Corporate, foundation IRB:	2,584	1,419	11,404	0	39.8
- of which rating grades 6	151	58	3,339		15.9
- of which rating grades 5	443	228	3,197		28.8
- of which rating grades 4	811	468	3,264	0	56.3
- of which rating grades 3	562	332	947	0	83.3
- of which rating grades 2	71	56	118		133.9
- of which rating grades 1	24	15	26		159.7
- of which unrated	393	189	248		104.6
- of which defaulted	129	73	265		0.0
Corporate, advanced IRB:	24,083	22,733	25,015	5,600	36.1
- of which rating grades 6	4,715	2,110	5,036	907	9.3
- of which rating grades 5	3,117	7,891	4,776	1,940	22.5
- of which rating grades 4	10,763	9,356	10,546	2,013	39.4
- of which rating grades 3	3,530	2,238	3,008	476	58.9
- of which rating grades 2	631	621	445	177	99.1
- of which rating grades 1	147	23	115	6	101.0
- of which unrated	372	248	405	81	48.8
- of which defaulted	808	246	684		117.8
Institutions, foundation IRB:	9,676	1,791	16,729	642	25.1
- of which rating grades 6	3,127	419	4,760	321	18.4
- of which rating grades 5	6,433	452	10,698	119	23.1
- of which rating grades 4	40	493	1,017	94	51.1
- of which rating grades 3	42	263	206	76	115.0
- of which rating grades 2	28	143	31	25	189.4
- of which rating grades 1	0	13	3	3	244.6
- of which unrated	6	8	14	4	151.9
- of which defaulted					
Retail, of which secured by real estate:	28,070	408	28,324	254	9.0
- of which scoring grades A	12,785	171	12,895	110	3.2
- of which scoring grades B	9,269	95	9,329	60	6.4
- of which scoring grades C	3,963	88	4,015	52	13.2
- of which scoring grades D	1,377	45	1,404	27	24.0
- of which scoring grades E	0	5	3	3	67.0
- of which scoring grades F	214	1	215	1	68.9
- of which not scored	8	1	8	0	24.2
- of which defaulted	454	2	455	1	116.3
Retail, of which other retail:	10,036	4,757	11,411	2,415	30.7
- of which scoring grades A	1,146	2,441	2,197	1,228	7.4
- of which scoring grades B	1,954	1,087	2,236	534	14.3
- of which scoring grades C	1,716	499	1,723	275	24.4
- of which scoring grades D	1,904	333	1,903	191	30.5
- of which scoring grades E	1,582	157	1,603	91	32.0
- of which scoring grades F	1,371	80	1,332	43	46.1
- of which not scored	53	83	89	14	43.2
- of which defaulted	310	77	328	39	260.7
Other non credit-obligation assets:	260	78	252	32	99.1

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

NBF does not have the following IRB exposure classes: equity exposures, items representing securitisation positions, central governments and central banks, qualifying revolving retail.

Note 11, continued

Capital requirements for market risk, 30 June 2015

	Trading book, IM		Trading book, SA		Banking book, SA		Total	
	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other ¹	1,980	158	1,350	108			3,330	266
Equity risk	176	14	161	13			337	27
Foreign exchange risk	460	37			67	5	527	42
Commodity risk			20	1			20	1
Diversification effect	-716	-57					-716	-57
Stressed Value-at-Risk	1,512	121					1,512	121
Incremental Risk Measure	713	57					713	57
Comprehensive Risk Measure	408	33					408	33
Total	4,533	363	1,531	122	67	5	6,131	490

¹Interest 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 12 Transferred operations

	Jan-Jun	Full year
EURm	2014	2014
Net interest income	71	116
Net fee and commission income	17	49
Net result from items at fair value	-8	-7
Other operating income	1	1
Total operating income	81	159
Staff costs	-16	-30
Other expenses	-13	-19
Depreciation of tangible and intangible assets	-1	-1
Total operating expenses	-30	-50
Profit before loan losses	51	109
Net loan losses	-38	-48
Operating profit	13	61
Income tax expense	-1	-4
Net profit for the period	12	57

The table above shows the income statement impact of the sale of the operations in the Baltic countries as well as sale of the London and Frankfurt branches.

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 these Issuers. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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

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

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

Section A – Introduction and Warnings		
A.1	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 Issuers in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</i>
A.2	Consent:	Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a " Public Offer ".
		<i>Not applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency)./The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) (an "Authorised Offeror") on the following basis: (a) the relevant Public Offer must occur during the period from and including [•] to but excluding [] (the "Offer Period") in [•] [and [•]] (the "Public Offer Jurisdiction(s)") and (b) the relevant Authorised Offeror must have agreed to the Authorised Offeror Terms [and satisfy the following additional conditions: [•]]./The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by [•](an "Authorised Offeror") on the following basis: (a) the relevant Public Offer must occur during the period from and including [•]] to but excluding [] (the "Offer Period") in [•] [and [•]] (the "Public Offer Jurisdiction(s)") and (b) the relevant Authorised Offeror must have agreed to the Authorised Offeror Terms [and satisfy the following additional conditions: [•]].</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 – Issuers	
B.1	Legal names of the Issuers:	Nordea Bank AB (publ) Nordea Bank Finland Plc
	Commercial names of the Issuers:	Nordea
B.2	Domicile and legal forms of the Issuers:	<p>NBAB is a public (publ) limited liability company with registration No. 516406-0120. The head office is located in Stockholm at the following address: Smålandsgatan 17, 105 71 Stockholm. The principal legislation under which NBAB operates is the Swedish Companies Act and the Swedish Banking and Financing Business Act.</p> <p>NBF is a company with limited liability pursuant to the Finnish Companies Act. NBF is registered in the trade register with business identity code 1680235-8. NBF has its head office in Helsinki at the following address: Aleksanterinkatu 36 B, 00100 Helsinki, Finland. The principal legislation under which NBF operates is the Finnish Companies Act and the Finnish Act on Commercial Banks and Other Credit Institutions in the form of a limited company.</p>
B.4b	Trends:	Not applicable. There are no clear trends affecting the Issuers or the markets in which they operate.
B.5	The Group:	<p>NBAB is the parent company of the Nordea Group. The Nordea Group is a large financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden), with additional operations in Russia, the Baltic countries and Luxembourg, as well as branches in a number of other international locations. The three main subsidiaries of NBAB are Nordea Bank Danmark A/S in Denmark, NBF in Finland and Nordea Bank Norge ASA in Norway. The Nordea Group's organisational structure is built around three main business areas: Retail Banking, Wholesale Banking and Wealth Management. Group Corporate Centre and Group Risk Management are other central parts of the Nordea Group's organisation. Retail Banking is responsible for customer relations with household customers as well as large, medium-sized and small corporate customers in the Nordic and Baltic countries. Wholesale Banking provides services and financial solutions to Nordea Group's largest corporate and institutional customers. Wealth Management provides investment, savings and risk management products and solutions. It manages the Nordea Group's customers' assets, provides wealth planning and gives investment advice to affluent and high-net-worth individuals as well as institutional investors.</p> <p>As of 31 December 2014, the Nordea Group had total assets of EUR 669 billion and tier 1 capital of EUR 25.6 billion, and was the largest Nordic-based asset manager with EUR 262.2 billion in assets under management.¹</p>

¹ By virtue of the Supplement dated 24 April 2015, the figures for the Nordea Group's total assets, tier 1 capital and assets under management have been updated to the relevant figures as at 31 December 2014.

B.9	Profit Forecasts and Profit Estimates:	Not Applicable. The Issuers do 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 Issuers.																																																																																															
B.12	Selected Key Financial Information:	<p>The tables below show certain selected summarised financial information which, without material changes, is derived from, and must be read together with, the Issuers' audited consolidated financial statements for the year ended 31 December 2014 and the auditors' reports and notes thereto and unaudited consolidated financial statements for six month period ended 30 June 2015 and the notes thereto set out in the annexes to this Supplement and previous Supplements.²</p> <p>NBAB – selected key financial information:</p> <table border="1" data-bbox="528 712 1367 1317"> <thead> <tr> <th></th> <th colspan="4" style="text-align: center;">Group</th> </tr> <tr> <th></th> <th style="text-align: center;">2014</th> <th style="text-align: center;">2013</th> <th style="text-align: center;">H1 2015</th> <th style="text-align: center;">H1 2014</th> </tr> </thead> <tbody> <tr> <td></td> <td colspan="4" style="text-align: center;"><i>(EUR millions)</i></td> </tr> <tr> <td colspan="5">Income Statement</td> </tr> <tr> <td>Total operating income</td> <td style="text-align: right;">10,241</td> <td style="text-align: right;">9,891</td> <td style="text-align: right;">5,242</td> <td style="text-align: right;">4,964</td> </tr> <tr> <td>Net loan losses</td> <td style="text-align: right;">-534</td> <td style="text-align: right;">-735</td> <td style="text-align: right;">-225</td> <td style="text-align: right;">-293</td> </tr> <tr> <td>Net profit for the period</td> <td style="text-align: right;">3,332</td> <td style="text-align: right;">3,116</td> <td style="text-align: right;">2,034</td> <td style="text-align: right;">1,517</td> </tr> <tr> <td colspan="5">Balance Sheet</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">669,342</td> <td style="text-align: right;">630,434</td> <td style="text-align: right;">682,652</td> <td style="text-align: right;">636,726</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">639,505</td> <td style="text-align: right;">601,225</td> <td style="text-align: right;">652,843</td> <td style="text-align: right;">607,880</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">29,837</td> <td style="text-align: right;">29,209</td> <td style="text-align: right;">29,809</td> <td style="text-align: right;">28,846</td> </tr> <tr> <td>Total liabilities and equity</td> <td style="text-align: right;">669,342</td> <td style="text-align: right;">630,434</td> <td style="text-align: right;">682,652</td> <td style="text-align: right;">636,726</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 style="text-align: right;">11,456</td> <td style="text-align: right;">7,607</td> <td style="text-align: right;">5,052</td> <td style="text-align: right;">6,060</td> </tr> <tr> <td>Cash flow from operating activities</td> <td style="text-align: right;">-10,824</td> <td style="text-align: right;">6,315</td> <td style="text-align: right;">12,127</td> <td style="text-align: right;">-9,638</td> </tr> <tr> <td>Cash flow from investing activities</td> <td style="text-align: right;">3,254</td> <td style="text-align: right;">572</td> <td style="text-align: right;">-503</td> <td style="text-align: right;">2,303</td> </tr> <tr> <td>Cash flow from financing activities</td> <td style="text-align: right;">-1,040</td> <td style="text-align: right;">-1,927</td> <td style="text-align: right;">-3,051</td> <td style="text-align: right;">-1,683</td> </tr> <tr> <td>Cash flow for the period</td> <td style="text-align: right;">-8,610</td> <td style="text-align: right;">4,960</td> <td style="text-align: right;">8,573</td> <td style="text-align: right;">-9,018</td> </tr> <tr> <td>Change</td> <td style="text-align: right;">-8,610</td> <td style="text-align: right;">4,960</td> <td style="text-align: right;">8,573</td> <td style="text-align: right;">-9,018</td> </tr> </tbody> </table>		Group					2014	2013	H1 2015	H1 2014		<i>(EUR millions)</i>				Income Statement					Total operating income	10,241	9,891	5,242	4,964	Net loan losses	-534	-735	-225	-293	Net profit for the period	3,332	3,116	2,034	1,517	Balance Sheet					Total assets	669,342	630,434	682,652	636,726	Total liabilities	639,505	601,225	652,843	607,880	Total equity	29,837	29,209	29,809	28,846	Total liabilities and equity	669,342	630,434	682,652	636,726	Cash Flow Statement					Cash flow from operating activities before changes in operating assets and liabilities	11,456	7,607	5,052	6,060	Cash flow from operating activities	-10,824	6,315	12,127	-9,638	Cash flow from investing activities	3,254	572	-503	2,303	Cash flow from financing activities	-1,040	-1,927	-3,051	-1,683	Cash flow for the period	-8,610	4,960	8,573	-9,018	Change	-8,610	4,960	8,573	-9,018
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B.13	Recent Events:	Not Applicable for either Issuer. There have been no recent events particular to either Issuer which are to a material extent relevant to the evaluation of such Issuer's solvency since the date of the relevant Issuer's last published audited or unaudited financial statements.																																																																																										
B.14	Dependence upon other entities within the Group:	Not Applicable. Neither NBAB nor NBF is dependent upon other entities within the Nordea Group.																																																																																										
B.15	The Issuer's Principal Activities:	The Nordea Group's organisational structure is built around three main business areas: Retail Banking, Wholesale Banking and Wealth Management. In addition to these business areas, the Nordea Group's organisation includes the following two Group functions: Group Corporate Centre and Group Risk Management.																																																																																										

³ By virtue of the Supplement dated 24 April 2015, the date since which there has been no material adverse change in the ordinary course of business or in the prospects or conditions of NBF has been updated to 31 December 2014, being the date of its last published audited financial statements

⁴ By virtue of the Supplement dated 27 July 2015, the date since which there has been no material adverse change in the ordinary course of business or in the prospects or conditions of NBAB has been updated to 31 December 2014, being the date of its last published audited financial statements.

⁵ By virtue of the Supplement dated 27 July 2015, the date since which there has been no significant change in the financial or trading position of NBAB or NBF has been updated to 30 June 2015, being the date of their last published unaudited financial statements.

		<p>NBAB conducts banking operations in Sweden within the scope of the Nordea Group's business organisation. NBAB develops and markets financial products and services to personal customers, corporate customers and the public sector.</p> <p>NBF conducts banking operations in Finland as a part of the Nordea Group and its operations are fully integrated into the Nordea Group's operations. NBF holds a licence to conduct banking operations in accordance with the Finnish Act on Credit Institutions.</p>
B.16	Controlling Persons:	Not Applicable. To the best of NBAB's knowledge, the Nordea Group is not directly or indirectly owned or controlled by any single person or group of persons acting together. NBF is a direct, wholly-owned subsidiary of NBAB.
B.17	Ratings assigned to the Issuer or its Debt Securities:	<p>As of the date of this Base Prospectus, the long term (senior) debt ratings of each of the Issuers are:</p> <p>Moody's Investors Service Limited: Aa3⁶</p> <p>Standard & Poor's Credit Market Services Europe Limited: AA-⁷</p> <p>Fitch Ratings Limited: AA-</p> <p>DBRS Ratings Limited: AA</p> <p>The Issuers' credit ratings do not always mirror the risk related to individual Notes issued under the Programme.</p>

The Notes to be issued have not been rated

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 []. [The Tranche number is [].</i></p> <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>

⁶ By virtue of the Supplement dated 27 July 2015, the Issuers wish to clarify that the ratings provided by Moody's Investors Service Limited have been affirmed as "Aa3".

⁷ negative outlook

		<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 relevant 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 Bank Danmark A/S will act as the VP Issuing Agent in respect of VP Notes.</p> <p>Notes may be specified in the applicable Final Terms as "VPS Notes". VPS Notes will be issued pursuant to a registrar agreement with Nordea Bank Norge ASA as VPS Paying Agent and will be registered in uncertificated and dematerialised book entry form with the Norwegian Central Securities Depository (<i>Verdipapirsentralen 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 relevant Issuer. Title to Swedish Notes will not be evidenced by any physical note or document of title. Definitive Notes will not be issued in respect of any Swedish Notes. Nordea Bank AB (publ) will act as the Swedish Issuing Agent in respect of Swedish Notes.</p> <p>Notes may be specified in the applicable Final Terms as "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 relevant Issuer. Title to Finnish Notes will not be evidenced by any physical note or document of title. Definitive Notes will not be issued in respect of any Finnish Notes. Nordea Bank Finland Plc will act as the Finnish Issuing Agent in respect of Finnish Notes.</p> <p><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 depository 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> <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/settled] through []. The Notes have been assigned the following securities identifiers: [].</i></p>
C.2	Currency of the Securities Issue:	<p>U.S. dollars, euro, sterling, Swedish Krona, Swiss francs, Norwegian Krone, Danish Krone, Yen and Singapore Dollars⁸ and/or such other currency or currencies as may be determined at the time of issuance, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Notes may, subject to such compliance, be issued as dual currency Notes.</p> <p><i>The currency of the Notes is [].</i></p>

⁸ References to Singapore dollars were inserted by virtue of the Supplement dated 24 April 2015.

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, and Japan.</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 dealer appointed in relation to the Programme (each a "Dealer") has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "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 relevant Issuer given in accordance with Element A.2 above.</p> <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading Act (Consolidated Act No. 883 of 9 August 2011, as amended) (in Danish: <i>Værdipapirhandelsloven</i>) and Executive Orders issued thereunder.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, in respect of any offers or sales of Notes in Ireland, that it will comply with: the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998; the provisions of the Companies Acts 1963 to 2012 (as amended), the Central Bank Acts 1942 to 2013 (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 (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank.</p>
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	<p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (<i>personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers</i>), and/or (b) qualified investors (<i>investisseurs qualifiés</i>) all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French Code <i>monétaire et financier</i>.</p> <p>Notes which qualify as "derivative instruments" within the meaning of Section 2 of the SMA, Directive 2004/39/EC (MiFID Directive) and Commission Regulation No EC/1287/2006 (MiFID Implementation Regulation), all as amended from time to time, may only be offered in Estonia after assessment of the suitability and appropriateness of the relevant structured instrument to the investor in accordance with applicable Estonian and European Union law.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been offered and will not be offered in Lithuania by way of a public offering, unless in compliance with all applicable provisions of the laws of Lithuania and in particular in compliance with the Law on Securities of the Republic of Lithuania of 18 January 2007 No X-1023 and any regulation or rule made thereunder, as supplemented and amended from time to time.</p> <p>The Notes have not been registered under the Financial Instruments Market Law of Latvia and may not be publicly offered or sold in Latvia. Neither the relevant Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in Latvia other than in accordance with the laws of the Republic of Latvia.</p> <p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Securities Trading etc. Act (<i>Værdipapirhandelsloven</i>), as amended from time to time, and Executive Orders issued thereunder.</p> <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will not publicly offer the Notes or bring the Notes into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (495/1989) and any regulation or rule made thereunder, as supplemented and amended from time to time.</p> <p>Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes in Norway. Notes denominated in Norwegian Krone may not be offered or sold within Norway or to or for the account or benefit of persons domiciled in Norway, unless the regulation relating to the offer of VPS Notes and the registration in the VPS has been complied with.</p>
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	<p>Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has only made and will only make an offer of Notes to the public (<i>oferta pública</i>) in Spain in accordance with the Spanish Securities Market Act (<i>Ley 24/1988 de 28 de julio, del Mercado de Valores</i>) (the "LMV"), Royal Decree 1310/2005, of 4 November, developing partially the Spanish 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 LMV 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 LMV 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 Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.</p> <p>Zero Coupon Notes in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the relevant 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 under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this Base Prospectus (including the relevant Final Terms) and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1), 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.⁹</p>
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⁹ By virtue of the Supplement dated 24 April 2015, information relating to selling restrictions for Singapore was added.

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 relevant Issuer and rank <i>pari passu</i> without any preference among themselves and at least <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future.</p> <p>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 Swedish or Finnish laws, regulations or other rules, or decisions by Finnish or Swedish public authorities. In the event that any of the Issuers is obliged to effect deductions or withholdings of Finnish or Swedish tax for someone who is not subject to taxation in Sweden or Finland, such Issuer will pay additional amounts to ensure that, on the due date, the relevant holders of Notes receive a net amount equal to the amount which the holders would have received but for the deductions or withholdings, subject to customary exceptions.</p> <p>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 relevant Issuer will be governed by a deed of covenant dated 19 December 2014¹⁰ (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>
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¹⁰ By virtue of the Supplement dated 11 February 2015, the date of the Deed of Covenant has been corrected from 20 December 2013 to 19 December 2014.

<p>C.9</p>	<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. 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 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 Payment Dates: []/Not Applicable] [The underlying foreign exchange rate is: []]</p>
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		<p><i>The Notes do not bear interest./The Notes are interest-bearing:</i></p> <p><i>Interest basis: []</i></p> <p><i>Nominal interest rate: [].</i></p> <p><i>Interest Commencement Date: [].</i></p> <p><i>Interest Payment Date(s): [].</i></p> <p><i>Interest Deferral: [Applicable/Not Applicable]</i></p> <p><i>Description of underlying Reference Rate/Reference Asset(s): [].]</i></p> <p><i>Information about the past and further performance of the Reference Rate/Reference Asset(s) can be obtained from: [].</i></p> <p><i>[Margin: +/- [].]</i></p> <p><i>[Maximum Rate of Interest: [].]</i></p> <p><i>[Minimum Rate of Interest: [].]</i></p> <p><i>[Day Count Fraction: [].]</i></p> <p>Redemption: The relevant 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>Early redemption of Notes may be permitted: (i) upon the request of the relevant Issuer or the holder of the Notes in accordance with the Conditions, provided that such early redemption is applicable pursuant to the Final Terms, (ii) if the relevant Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the relevant Issuer's jurisdiction of incorporation 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 barrier level on any specified date, then the relevant Issuer will redeem the Notes early on the next following early redemption date at an amount equal to the Principal Amount of the Notes together with (if any) a pre-determined coupon.</p>
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		<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 relevant 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/Noteholders]/[The Notes are Autocallable]</i></p> <p><i>The Redemption Date is []/The Notes are redeemable in Instalments on [].</i></p> <p>Issue Price: The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer at the time of issuance in accordance with prevailing market conditions.</p> <p><i>The Issue Price of the Notes is: [].</i></p> <p>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 relevant Issuer may replace a Reference Asset, perform an early calculation of the Redemption Amount or make any amendment to the Conditions as the relevant Issuer deems necessary, if certain events occur, including market disruption, hedging disruption, a change in law or market practice, price corrections and other material developments affecting one or more of the underlying Reference Asset(s) or any hedging transaction entered into by one or more members of the Nordea Group in order to hedge the relevant Issuer's obligations in relation to the Notes.</p>
C.10	Derivative Components:	<p>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 relevant Issuer may elect to combine two or more performance structures in any issue of Notes:</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>"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>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.</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-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>
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	<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 the Basket Return and the pre-determined maximum basket return. 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. 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>
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		<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 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 of the 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" 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 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.
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	<ul style="list-style-type: none"> <p><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> <p><i>The Notes [are/are not] issued on the basis of the December 2013 Conditions</i></p> <p><i>"Twin Win" structure:</i> 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" structure:</i> 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" structure:</i> 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" structure:</i> 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" structure:</i> this is very similar to the "Cliquet" structure but the additional return payable is calculated by subtracting the relative percentage changes in the underlying Basket (for a number of pre-determined valuation periods) from a pre-defined initial coupon.</p> <p><i>"Replacement Cliquet" structure:</i> this is very similar to the "Cliquet" structure, the difference being that the returns generated by a certain number of the best performing valuation periods are replaced by a pre-defined figure.</p>
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	<p><i>"Reverse Replacement Cliquet" structure:</i> this is very similar to the "Reverse Cliquet" structure, the difference being that the returns generated by a certain number of the best performing valuation periods are replaced by a pre-defined figure.</p> <p><i>"Rainbow Replacement Cliquet" structure:</i> the performance of each individual Reference Asset is calculated on the same basis as the "Cliquet" structure. The difference here is that the weighting of each Reference Asset within the basket is determined after the performance of each Reference Asset is known, following the principle that the best performing underlying is given the highest weight and so forth.</p> <p><i>"Reverse Convertible" structure:</i> if the Basket Return is at or above the initial basket level, the Redemption Amount will be equal to the Principal Amount of the Notes. If the Basket Return is below the initial basket level, the Redemption Amount will be equal to the Principal Amount less an amount calculated by multiplying the Principal Amount by the Participation Ratio and the Basket Return, thereby producing a Redemption Amount which is less than the Principal Amount of the Notes. A positive performance of the Reference Assets within the Basket will have a positive effect on the overall 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 is below the Barrier Level on any Valuation Date, and on the final Valuation Date the Basket Return is below the Initial Basket Level, the Redemption Amount will be calculated by multiplying the Principal Amount of the Notes by the Participation Ratio and the Basket Return and adding the resulting amount to the Principal Amount of the Notes (in this case the Redemption Amount will be less than the Principal Amount of the Notes). 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>Up and In Option:</i> The Additional Amount is calculated as the product of the Participation Ratio, the Principal Amount of the Notes, and the difference between the final value of the Basket and the Basket Strike Level, provided that the Basket has, on every Valuation Date during the lifetime of the Notes, performed at or above the predefined Barrier Level. If the Barrier Level is not reached on any Valuation Date, the Additional Amount will equal zero and the Redemption Amount will equal the Principal Amount of the Notes.</p> <p><i>Up and Out Option:</i> The Additional Amount is calculated as the product of the Participation Ratio, the Principal Amount of the Notes, and the difference between the final value of the Basket and the Basket Strike Level, or, if higher, a pre-specified coupon level, provided that the Basket has, on every Valuation Date during the lifetime of the Notes, performed at or above the predefined Barrier Level. If the Barrier Level is not reached on any Valuation Date, the Additional Amount will equal zero and the Redemption Amount will equal the Principal Amount of the Notes.</p>
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	<p><i>Down and Out Basket Option:</i> The Additional Amount is calculated as the product of the Participation Ratio, the Principal Amount of the Notes, and the difference between the final value of the Basket and the Basket Strike Level, if the Basket has not, on any Valuation Date during the lifetime of the Notes, performed at or below a predefined Barrier Level. This means that if the Barrier Level is exceeded on any Valuation Date, the Additional Amount is zero.</p> <p><i>Worst of Down and Out Basket Option:</i> This is the same as the Down and Out Basket Option Structure save that the Additional Amount is calculated by reference to the lowest performing Reference Asset rather than the Basket as a whole.</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>
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	<p><i>"Delta 1 Structure"</i>: the Redemption Amount will be equal to the redemption proceeds received by the relevant Issuer (or another entity within the Nordea Group) from unwinding a hedge position designed to replicate the risks and returns of a direct investment in the relevant Reference Assets; less (i) a structuring fee payable to the relevant Issuer and (ii) any applicable taxes. A Delta 1 Structure effectively replicates the gains or losses that an investor would realise through a direct holding of the relevant Reference Assets. If it is not possible for the hedging entity to redeem the Reference Assets before the scheduled maturity date or if the hedging entity determines that it will not receive the full amount of the redemption proceeds before the scheduled maturity date, a deferred redemption will occur and the relevant Issuer may make a partial redemption of the Notes as and when the relevant hedging party receives a material part of the redemption proceeds, or cancel the Notes without making any payment to the holders if the relevant Issuer determines that the redemption proceeds will not be received prior to the specified long-stop date.</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" structure 2</i>: 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" structure 2</i>: 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>
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	<p><i>Down and in Option:</i> A down and in option is a form of barrier option that generates a positive return only if the price of the underlying Reference Asset or Basket falls below a pre-determined barrier level during the lifetime of the Notes. The barrier level is set at a level below the prevailing price of the Reference Asset or Basket as at the issue date of the relevant Notes. If the value of the Reference Asset or Basket falls below the barrier level, the Additional Amount will be positive; if the value of the Reference Asset or Basket does not fall below the barrier level, the Additional Amount will be zero.</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 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><i>Autocallable Rate Structure:</i> If the value of an underlying Reference Rate either out-performs or under-performs a pre-determined 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><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:</i> if FX components are applied to one or more performance structures set out above, the Basket Return or the Reference Asset Return may be adjusted by multiplying them by a factor which reflects the variation in one or more foreign exchange rates during the relevant time periods being measured or observed.</p> <p><i>[The FX Component is applicable to the Basket Return/Reference Asset Return] [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>
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	<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 (at the start of any Valuation Period) in respect of the relevant Basket or Reference Asset, 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 (at the end of any Valuation Period) in respect of the relevant Basket or Reference Asset, 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 relevant 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 reflects¹¹ the overall share of the total return which the relevant 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>[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>Not Applicable/the Maximum Redemption Amount is []</i></p>
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¹¹ The phrase "percentage which reflects" was inserted in place of "fraction which represents" by virtue of the Supplement dated 24 April 2015.

		<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>Not Applicable/the Minimum Redemption Amount is []</i></p> <p><i>"Inflation-Protected Principal"</i>: if specified as applicable, the Redemption Amount determined in accordance with the performance structures 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/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>
<p>C.11 C.21</p>	<p>Listing and Trading:</p>	<p>Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of the Irish Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.</p> <p><i>The Notes are unlisted Notes/Application will be made for the Notes to be admitted to listing on [] and to trading on [] effective as of [].</i></p>

<p>C.15 ¹²</p>	<p>Value of the Notes and Value of the Underlying:</p>	<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 relevant Issuer and is determined by, among other things, the term, volatility, market interest rate and expected return on the Reference Asset.</p> <p><i>The [indicative] Participation Ratio is: []</i></p>
<p>C.16</p>	<p>Exercise Date or Final Reference Date:</p>	<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>
<p>C.17</p>	<p>Settlement Procedure:</p>	<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 redemption date and will be effected by the relevant Issuer paying the Redemption Amount (or Early Redemption Amount, if applicable) 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>

¹² Elements c.15-20 (inclusive) should be deleted in the case of a straight debt issuance.

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 Issuers:	<p>In purchasing Notes, investors assume the risk that the relevant Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the relevant Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the relevant Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the relevant Issuer's control. The Issuers have identified in the Base Prospectus a number of factors which could materially adversely affect its respective business and ability to make payments due under the Notes. These factors include:</p> <p><i>Risks relating to current macroeconomic conditions</i></p> <p>Risks related to the European economic crisis have had and, despite the recent period 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.</p> <p>Furthermore, the Nordea Group's performance is significantly influenced by the general economic condition in the countries in which it operates, in particular the Nordic markets (Denmark, Finland, Norway and Sweden). Negative economic developments and conditions in the markets in which it operates can adversely affect its business, financial condition and results of operations, and measures implemented by the Nordea Group might not be satisfactory to reduce any credit, market and liquidity risks.</p>

		<p><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 value of financial instruments held by Nordea Group are sensitive to volatility of and correlations between various market variables, including interest rates, credit spreads, equity prices and foreign exchange rates. Write-downs or realise impairment charges may have a material adverse effect on the Nordea Group's business, financial condition and results of operations, while the performance of financial markets and volatile market conditions could result in a significant decline in the Nordea Group's trading and investment income, or result in a trading loss.</p> <p><i>The Nordea Group is exposed to structural market risk</i></p> <p>The Nordea Group is exposed to structural interest income risk when there is a mismatch between the interest rate re-pricing periods, volumes or reference rates of its assets, liabilities and derivatives. It is also exposed to currency translation risk primarily as a result of its Swedish and Norwegian banking businesses, as it prepares its consolidated financial statements in its functional currency, the euro. Any mismatch in any given period in the event of changes in interest rates, or failure to successfully hedge currency risk exposure, could have a material adverse effect on the Nordea Group's financial condition and results of operations.</p> <p><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>
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	<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, Regulation (EU) No. 575/2013 and any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuers 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 Issuers or the Nordea Group (on a solo or consolidated basis, as the case may be) to the extent required by Directive 2013/36/EU or Regulation (EU) No. 575/2013, 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 the Baltic countries which are typically more volatile and less developed economically and politically than markets in Western Europe and North America – present various risks that do not apply, or apply to a lesser degree, to its businesses in the Nordic markets. Additionally, some of these markets are typically more volatile and less developed economically and politically than markets in Western Europe and North America.</p> <p>The Nordea Group's performance is, to a large extent, dependent on the talents and efforts of highly skilled individuals, and the continued ability of the Nordea Group to compete effectively and implement its strategy depends on its ability to attract new employees and retain and motivate existing employees. New regulatory restrictions, such as the recently introduced 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>
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		<p><i>Risks relating to the legal and regulatory environments in which the Nordea Group operates</i></p> <p>The Nordea Group is subject to substantial regulation and oversight by a number of different regulators as well as laws and regulations, administrative actions and policies in each of the jurisdictions in which it operates, all of which are subject to change, and compliance with which may from time to time require significant costs.</p> <p>The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements, which may also impact existing business models. In addition, there can also be no assurances that breaches of legislation or regulations by the Nordea Group will not occur and, to the extent that such a breach does occur, that significant liability or penalties will not be incurred.</p> <p>In the ordinary course of its business, the Nordea Group is subject to regulatory oversight and liability risk and is involved in a variety of claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active. These types of claims and proceedings expose the Nordea Group to monetary damages, direct or indirect costs (including legal costs), direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, as well as the potential for regulatory restrictions on its businesses.</p> <p>The Nordea Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Legislative changes or decisions by tax authorities may impair the present or previous tax position of the Nordea Group.</p>
D.3	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> <ul style="list-style-type: none"> • <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. • <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. • <i>Pricing of structured Notes</i> – the pricing of structured notes is normally decided by the relevant Issuer rather than being determined on the basis of negotiated terms. There may, therefore, be a conflict of interest between the relevant Issuer and the investors, to the extent that the relevant Issuer is able to influence pricing and is looking to make a gain or avoid a loss in relation to the underlying Reference Assets. The relevant Issuer does not have a fiduciary duty to act in the best interests of Noteholders.

		<ul style="list-style-type: none"> • <i>Performance of the Reference Assets</i> – with structured Notes, the Noteholder's right to yield and sometimes the repayment of principal depends on the performance of one or more Reference Assets and the applicable performance structure. The value of a structured Note will be affected by the value of the Reference Assets at specific points during the term of the relevant Notes, the intensity of the price fluctuations of the Reference Asset(s), expectations regarding future volatility, market interests rates and expected distributions on the Reference Asset(s). • <i>Currency fluctuations.</i> Foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit and the monetary, fiscal and/or trade policies pursued by the governments of the relevant currencies. Currency fluctuations may affect the value or level of the Reference Assets in complex ways. If such currency fluctuations cause the value or level of the Reference Assets to vary, the value or level of the Notes may fall. If the value or level of one or more Reference Asset(s) is denominated in a currency that is different from the currency of the Notes, investors in the Notes may be subject to increased foreign exchange risk. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates. • <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.
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		<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 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. • <i>Credit-Linked Notes</i> – an investment in credit-linked Notes entails exposure to the credit risk of a particular Reference Entity or basket of Reference Entities in addition to that of the relevant Issuer. A fall in the creditworthiness of a Reference Entity can have a significant adverse impact on the market value of the related Notes and any payments of principal/interest due. Upon the occurrence of a Credit Event, the relevant Issuer's obligation to pay principal may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Entity. As none of the Reference Entities contributed to the preparation of the Base Prospectus, there can be no assurance that all material events or information regarding the financial performance and creditworthiness of Reference Entities have been disclosed at the time the Notes are issued. • <i>Automatic early redemption</i> – certain types of Notes will be automatically redeemed prior to their scheduled maturity date if certain conditions are met. In some circumstances, this may result in a loss of part or all an investor's investment. • <i>Notes subject to optional redemption by the Issuer</i> – an optional redemption feature is likely to limit the market value of the Notes. • <i>Notes issued at a substantial discount or premium</i> – the market value of Notes of this type tends to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. <p>There are also certain risks relating to the Notes generally, such as modification and waivers, the risk of withholding pursuant to the EU Savings Directive and change of law.</p>
D.6	Risk Warning: ¹³	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.
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>

¹³ To be deleted in the case of a straight debt issuance.

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

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

SAMMANFATTNING AV GRUNDPROSPEKTET

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

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

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

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

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

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

		<p><i>Ej tillämpligt; Lånen upptas i valörer om minst € 100 000 (eller ett motsvarande värde i annan valuta)./Emittenten samtycker till användning av detta Grundprospekt i samband med ett Erbjudanden till Allmänheten av Lånen av en finansiell mellanhand som är behörig att lämna sådana erbjudanden enligt direktivet om Marknader för Finansiella Instrument (direktiv 2004/39/EG) (en "Behörig Säljare") på följande förutsättningar: (a) det relevanta Erbjudandet till Allmänheten måste inträffa under perioden från och med [•] till men inte inklusive [] ("Erbjudandeperioden") i [•] [och [•]] ("Erbjudanden till Allmänheten - Jurisdiktioner") och (b) den relevanta Behöriga Säljaren måste ha godkänt Villkoren för Behöriga Säljare [och uppfylla följande ytterligare villkor: [•]]./Emittenten samtycker till användning av detta Grundprospekt i samband med ett Erbjudande till Allmänheten av Lånen av [•] (en "Behörig Säljare") på följande förutsättningar: (a) det relevanta Erbjudandet till Allmänheten måste inträffa under perioden från och med [•] till men inte inklusive [] ("Erbjudandeperioden") i [•] [och [•]] ("Erbjudanden till Allmänheten - Jurisdiktioner") och (b) den relevanta Behöriga Säljaren måste ha godkänt Villkoren för Behöriga Säljare [och uppfylla följande ytterligare villkor: [•]]</i></p> <p>Behöriga Säljare kommer lämna information till en Investering i enlighet med villkoren för Erbjudandet till Allmänheten för de relevanta Lånen vid tidpunkten för när ett sådant Erbjudande till Allmänheten lämnas från den Behöriga Säljaren till Investeringen.</p>
Avsnitt B – Emittenter		
B.1	Registrerad firma för Emittenterna:	Nordea Bank AB (publ) Nordea Bank Finland Plc
	Handelsbeteckning för Emittenterna:	Nordea
B.2	Säte och bolagsform för Emittenterna:	<p>NBAB är ett publikt aktiebolag med organisationsnummer 516406-0120. Sätet är i Stockholm på följande adress: Smålandsgatan 17, 105 71 Stockholm. Den huvudsakliga lagstiftningen som reglerar NBAB:s verksamhet är aktiebolagslagen och lagen om bank- och finansieringsrörelse.</p> <p>NBF är ett aktiebolag enligt den finska aktiebolagslagen. NBF är registrerat i handelsregistret med registreringsnummer 1680235-8. NBF har sitt säte i Helsingfors på följande adress: Aleksanterinkatu 36 B, SF-00100 Helsingfors, Finland. Den huvudsakliga lagstiftningen som reglerar NBF:s verksamhet är den finska aktiebolagslagen och den finska lagen om affärsbanker och andra kreditinstitut i aktiebolagsform.</p>
B.4b	Kända trender:	Ej tillämpligt. Det finns inte några tydliga trender som påverkar Emittenterna eller de marknader de verkar på.

B.5	Koncern- beskrivning:	<p>NBAB är moderbolaget i Nordea-koncernen. Nordea-koncernen är en stor koncern som erbjuder finansiella tjänster på den nordiska marknaden (Danmark, Finland, Norge och Sverige), med ytterligare verksamhet i Ryssland, de baltiska länderna och Luxemburg, samt filialer på ett antal andra internationella platser. NBAB:s tre största dotterbolag är Nordea Bank Danmark A/S i Danmark, NBF i Finland och Nordea Bank Norge ASA i Norge. Nordea-koncernens organisationsstruktur är byggd kring tre huvudaffärsområden: Retail Banking, Wholesale Banking och Wealth Management. Utöver dessa affärsområden finns Group Corporate Centre och Group Risk Management som är de andra centrala delarna av Nordea-koncernens organisation. Retail Banking ansvarar för kundförhållanden med privatpersoner liksom större, mellanstora och små företag inom Norden och Baltikum. Wholesale Banking ansvarar för finansiella tjänster till Nordea-koncernens största företagskunder och institutionella kunder. Wealth Management tillhandahåller produkter och tjänster inom investeringsrådgivning, sparande och riskhantering, samt hanterar Nordea-koncernens kunders tillgångar och tillhandahåller tjänster inom förmögenhetsförvaltning och lämnar investeringsråd till institutionella investerare och förmögna privatpersoner.</p> <p>Per 31 december 2014 uppgick Nordea-koncernens totala tillgångar till totalt EUR 669 miljarder och primärkapitalet uppgick till EUR 25,6 miljarder. Per samma datum var Nordea-koncernen den största kapitalförvaltaren med bas i Norden med EUR 262,2 miljarder i förvaldade tillgångar.¹⁴</p>
B.9	Resultat- prognoser och resultat- uppskattningar:	Ej tillämpligt. Emittenterna gör inte någon resultatprognos eller resultatuppskattning i Grundprospektet.
B.10	Eventuella anmärkningar i revisionsberättel- sen:	Ej tillämpligt. Det finns inte några anmärkningar för Emittenterna i deras revisionsberättelser.
B.12	Utvald central finansiell information:	Tabellerna nedan visar viss utvald finansiell information i sammandrag som, utan väsentliga ändringar har hämtats från och måste läsas tillsammans med Emittenternas respektive reviderade konsoliderade årsredovisningar för det år som slutar den 31 december 2014 och revisionsberättelserna och noterna till dessa och deras oreviderade konsoliderade delårsrapporter för den sexmånadersperiod som slutar den 30 juni 2015 för NBAB och NBF (inklusive noter) som finns bilagda till detta Tilläggsprospekt och tidigare Tilläggsprospekt. ¹⁵

¹⁴ Genom Tilläggsprospektet daterat 24 april 2015 har belopp rörande Nordea-koncernens totala tillgångar, primärkapital och förvaldade tillgångar uppdaterats till de belopp som gällde 31 december 2014.

¹⁵ Genom Tilläggsprospektet daterat den 24 april 2015 har utvald historisk finansiell information rörande NBF för året som slutar 2014 inkluderats. Genom Tilläggsprospekt daterat 27 juli 2015 har utvald historisk finansiell information rörande NBAB avseende verksamhetsåret som slutar 31 december 2014 lagts till. Genom Tilläggsprospektet daterat 27 juli 2015 har utvald historisk finansiell information avseende de första sex månaderna av 2015, jämte jämförelsesiffror avseende samma period för föregående finansiella år, lagts till.

NBAB – utvald central finansiell information:

	Koncernen			
	2014	2013	H1 2015	H1 2014
	<i>(Miljoner EUR)</i>			
Resultaträkning				
Summa rörelseintäkter	10 241	9 891	5 242	4 964
Kreditförluster	-534	-735	-225	-293
Årets resultat	3 332	3 116	2 034	1 517
Balansräkning				
Summa tillgångar	669 342	630 434	682 652	636 726
Summa skulder	639 505	601 225	652 843	607 880
Summa eget kapital	29 837	29 209	29 809	28 846
Summa skulder och eget kapital	669 342	630 434	682 652	636 726
Kassaflödesanalys				
Kassaflöde från den löpande verksamheten före förändringar av den löpande verksamhetens tillgångar och skulder.....	11 456	7 607	5 052	6 060
Kassaflöde från den löpande verksamheten.....	-10 824	6 315	12 127	-9 638
Kassaflöde från investeringsverksamheten.....	3 254	572	-503	2 303
Kassaflöde från finansieringsverksamheten.....	-1 040	-1 927	-3 051	-1 683
Årets kassaflöde.....	-8 610	4 960	8 573	-9 018
Förändring.....	-8 610	4 960	8 573	-9 018

NBF – utvald central finansiell information:

	Koncernen			
	2014	2013	H1 2015	H1 2014
	<i>(Miljoner EUR)</i>			
Resultaträkning				
Summa rörelseintäkter	2 278	2 224	1 389	1 219
Årets resultat	902	828	656	506
Balansräkning				
Summa tillgångar	346 198	304 761	355 622	317 523
Summa skulder.....	336 580	295 247	345 740	308 308
Summa eget kapital.....	9 618	9 514	9 882	9 215
Summa skulder och eget kapital	346 198	304 761	355 622	317 523
Kassaflödesanalys				
Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder.....	1 807	1 489	1 966	1 217
Kassaflöde från den löpande verksamheten	-11 520	5 686	14 274	-10 857
Kassaflöde från investeringsverksamheten.....	2 149	85	-18	1 603
Kassaflöde från finansieringsverksamheten.....	-593	-615	-306	-767
Årets kassaflöde	-9 964	5 156	13 950	-10 021
Förändring.....	-9 964	5 156	13 950	-10 021

Det har inte inträffat någon väsentligt negativ förändring i den ordinarie löpande verksamheten eller i affärsutsikterna för NBAB eller NBF sedan 31 december 2014, vilket är datumet för deras senaste publicerade finansiella rapporter.^{16 17}

¹⁶ Genom Tilläggsprospektet daterat 24 april 2015 har datumet per vilket det inte inträffat någon väsentligt negativ förändring i den ordinarie löpande verksamheten eller i affärsutsikterna för NBF uppdaterats till 31 december 2014, vilket är datumet för dess senaste publicerade reviderade finansiella rapporter.

		Det har inte inträffat någon betydande förändring av NBAB:s eller NBF:s handels- eller finansiella position sedan den 30 juni 2015, ¹⁸ vilket är datumet för deras senaste publicerade finansiella rapporter.
B.14	Koncernberoende:	Ej tillämpligt. Vare sig NBAB eller NBF är beroende av andra enheter inom Nordea-koncernen.
B.15	Emittenternas huvudsakliga verksamhet:	Nordea-koncernens organisationsstruktur är byggd kring tre huvudaffärsområden: Retail Banking, Wholesale Banking och Wealth Management. Utöver dessa affärsområden finns Group Corporate Centre och Group Risk Management som är de andra centrala delarna av Nordea-koncernens organisation. NBAB utför bankverksamhet i Sverige inom ramen för Nordea-koncernens affärsorganisation. NBAB utvecklar och marknadsför finansiella produkter och tjänster till privatkunder, företagskunder och den offentliga sektorn. NBF utför bankverksamhet i Finland som en del av Nordea-koncernen och dess verksamhet är helt integrerad i Nordea-koncernens verksamhet. NBF har tillstånd att bedriva bankverksamhet enligt den finska kreditinstitutionslagen.
B.16	Personer med direkt eller indirekt ägande/kontroll:	Ej tillämpligt. Såvitt NBAB känner till är inte Nordea-koncernen direkt eller indirekt ägd eller kontrollerad av någon enstaka person eller grupp av personer som agerar tillsammans. NBF är ett helägt dotterbolag till NBAB.
B.17	Kreditvärdighetsbetyg som har tilldelats Emittenten eller dess skuldinstrument:	Per datumet för detta Grundprospekt är kreditvärderingen för långfristig skuld för var och en av Emittenterna följande: Moody's Investors Service Limited: Aa3 ¹⁹ Standard & Poor's Credit Market Services Europe Limited: AA- ²⁰ Fitch Ratings Limited: AA- DBRS Ratings Limited: AA Emittenternas kreditvärderingar återger inte alltid risken som är förknippad med enskilda Lån under Programmet. <i>Lånen som ska emitteras har inte kreditvärderats.</i>

¹⁷ Genom Tilläggsprospektet daterat 27 juli 2015 har datumet per vilket det inte inträffat någon väsentligt negativ förändring i den ordinarie löpande verksamheten eller i affärsutsikterna för NBAB uppdaterats till 31 december 2014, vilket är datumet för dess senaste publicerade reviderade finansiella rapporter.

¹⁸ I och med Tilläggsprospektet av 27 juli 2015 har datumet per vilket det inte skett någon betydande förändring av NBAB:s eller NBF:s handels- eller finansiella position uppdaterats till 30 juni 2015 (det datum per vilket de senaste oreviderade finansiella rapporterna finns tillgängliga).

¹⁹ Genom Tilläggsprospektet daterat 27 juli 2015 vill Emittenterna klargöra att de kreditbetyg som givits av Moody's Investors Service Limited bekräftats vara Aa3.

²⁰ Negativ utsikt.

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

		<p>ISIN-nummer: Avseende varje Tranch av Lån kommer relevanta ISIN-nummer att anges i de tillämpliga Slutliga Villkoren.</p> <p><i>Lånen kommer att [clearas/avvecklas] via []. Lånen har tilldelats följande ISIN: [].</i></p>
C.2	Valuta för emissionen av Lån:	<p>US dollar, euro, brittiska pund, svenska kronor, schweizerfranc, norska kronor, danska kronor, yen och singaporeanska dollar²¹ och/eller annan sådan valuta eller andra valutor enligt beslut som fattas vid tidpunkten för emissionen, i enlighet med alla rättsliga och/eller regulatoriska och/eller centralbankskrav. Lånen kan, i enlighet med efterlevnaden av sådana krav, ges ut som Lån i dubbla valutor.</p> <p><i>Valutan för Lånen är [].</i></p>
C.5	Fri rätt till överlåtelse:	<p>Detta Grundprospekt innehåller en sammanfattning av vissa säljrestriktioner inom USA, det Europeiska Ekonomiska Samarbetsområdet, Storbritannien, Danmark, Finland, Nederländerna, Norge, Sverige, Spanien och Japan.</p> <p>Lånen har inte och kommer inte att registreras under United States Securities Act of 1933 ("Securities Act") och får inte erbjudas eller säljas inom USA eller till, eller för amerikanska medborgares räkning förutom i vissa transaktioner som är undantagna från registreringskraven i Securities Act.</p> <p>För varje medlemsstat i det Europeiska Ekonomiska Samarbetsområdet som har genomfört prospektdirektivet, inklusive konungariket Sverige (envar en "Relevant Medlemsstat"), har varje emissionsinstitut som utsetts under Programmet (envar ett "Emissionsinstitut") utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, att från och med det datum då Prospektdirektivet genomförs i den Relevanta Medlemsstaten ("Relevanta Implementeringsdatumet"), har Emissionsinstitutet inte gjort och kommer inte att göra något erbjudande om Lån till allmänheten i den Relevanta Medlemsstaten utom med relevant Emittents samtycke lämnat i enlighet med avsnitt A.2 ovan.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, att det har uppfyllt och kommer att uppfylla alla tillämpliga bestämmelser Financial Services and Markets Act 2000 ("FSMA") avseende alla handlingar som utförs gällande Lån i, från eller på annat sätt involverande Storbritannien.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och alla ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, att det inte har erbjudit eller sålt och inte kommer att erbjuda, sälja eller leverera några Lån direkt eller indirekt till konungariket Danmark genom ett erbjudande till allmänheten, förutom om det sker i enlighet med den danska värdepappershandelslagen (konsoliderad lag nr 883 av den 9 augusti 2011, såsom ändrad) (på danska: <i>Værdipapirhandelsloven</i>) och andra bestämmelser utfärdade därunder.</p>

²¹ Referens till singaporeanska dollar lades till genom Tilläggsprospektet daterat 24 april 2015.

		<p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer att behöva utfästa och godkänna, avseende erbjudanden eller försäljning av Lån i Irland, att det kommer att uppfylla: villkoren i Europeiska Gemenskapernas (Marknader för Finansiella Instrument) Förordning 2007 (nr 1 till 3) (såsom ändrad), inklusive, utan begränsning, Förordning 7 och 152 därav eller andra förhållningsregler som används i samband därmed och villkoren i Investor Compensation Act 1998; villkoren i Companies Acts 1963 to 2012 (såsom ändrad), Central Bank Acts 1942 to 2013 (såsom ändrad) och varje annan förhållningsregel som utfärdats under avsnitt 117(1) i Central Bank Act 1989; och villkoren i Market Abuse (Direktiv 2003/6/EG) Direktivet 2005 (såsom ändrad) och varje regel som utfärdats enligt avsnitt 34 i Investment Funds, Companies and Miscellaneous Provisions Act 2005 av Central Bank.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att de inte har erbjudit eller sålt, eller kommer erbjuda eller sälja, direkt eller indirekt, Lån till allmänheten i Frankrike och att det inte har distribuerat eller orsakat distribution, och att det inte kommer att distribuera eller orsaka distribution av Grundprospektet, de relevanta Slutliga Villkoren eller någon annan typ av erbjudandematerial relaterat till Lånen, till allmänheten i Frankrike, och att sådant erbjudande och sådan försäljning och distribution i Frankrike har och endast kommer göras till (a) leverantörer av investeringstjänster relaterade till portföljhantering för tredjeparts konton (<i>personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers</i>), och/eller (b) kvalificerade investerare (<i>investisseurs qualifiés</i>), samtliga såsom definierade, och i enlighet med, artiklarna L.411-1, L.411-2 och D.411-1 i den franska lagen <i>monétaire et financier</i>.</p> <p>Lån som faller in under begreppet "derivatinstrument" enligt Avsnitt 2 i SMA, Direktivet 2004/39/EC (MiFID-direktivet) och Kommissionens förordning Nr. EC/1287/2006 (Implementeringsföreskrifter för MiFID), samtliga såsom ändrade från tid till annan, får endast erbjudas i Estland efter lämplighets- och vederbörlighetsbedömning av det relevanta strukturerade instrumentet för investeraren i enlighet med tillämplig estnisk och europeisk lagstiftning.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att Lånen inte har erbjudits eller kommer erbjudas i Litauen genom erbjudande till allmänheten såvida detta inte är i enlighet med alla tillämpliga bestämmelser under Litauens lagar och i synnerhet i enlighet med Lagen om Värdepapper i Republiken Litauen från 18 januari 2007 Nr. X-1023 och alla föreskrifter eller regler som gjorts därunder, såsom ändrad från tid till annan.</p> <p>Lånen har inte registrerats under Lagen om Marknaden för Finansiella Instrument i Lettland och kan således inte erbjudas eller säljas till allmänheten i Lettland. Varken någon Emittent eller något av Emissionsinstitutet har godkänt, eller får godkänna, att Lån erbjuds i Lettland annat än i enlighet med lagarna i Republiken Lettland.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att det inte har erbjudit eller sålt och ej heller kommer erbjuda, sälja eller leverera något av Lånen direkt eller indirekt i Danmark genom erbjudande till allmänheten, såvida detta ej sker i enlighet med den danska Lagen om Värdepappershandel (<i>Værdipapirhandelsloven</i>), såsom ändrad från tid till annan, och verkställande beslut som utfärdats därunder.</p>
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	<p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att det inte kommer erbjuda Lånen till allmänheten i Finland, såvida detta inte sker i enlighet med alla tillämpliga Finska lagbestämmelser och särskilt i enlighet med den Finska Värdepapperslagen (495/1989) och varje bestämmelse därunder, såsom ändrad från tid till annan.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att det kommer lyda alla tillämpliga lagar, bestämmelser och riktlinjer för erbjudande av Lånen i Norge. Lån i norska Krone kan inte erbjudas eller säljas inom Norge eller till personer med hemvist i Norge, eller för deras vägnar, såvida inte föreskriften relaterad till erbjudandet av VPS-Lån och registrering i VPS har åtlutts.</p> <p>Varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att det enbart har erbjudit och enbart kommer att erbjuda Lån till allmänheten (<i>oferta pública</i>) i Spanien i enlighet med den spanska lagen om värdepappersmarknaden (<i>Ley 24/1988 de 28 de julio, del Mercado de Valores</i>) ("LMV"), kungligt dekret 1310/2005, av den 4 november, vilken delvis ändrar spansk värdepappersmarknadsrätt avseende notering på allmänna andrahandsmarknader, erbjudanden till allmänheten och prospektet som krävs därtill och regelverken som upprättas därunder. Lånen får inte erbjudas eller säljas i Spanien förutom av institut som är auktoriserade i enlighet med LMV och kungligt dekret 217/2008 av den 15 februari, om den rättsordning som är tillämplig på företag som utför investeringstjänster, att erbjuda investeringstjänster i Spanien, och med åtlydande av bestämmelserna i LMV och alla andra tillämpliga lagar.</p> <p>Lånen har inte och kommer inte att registreras under Lagen om Finansiella Instrument och Handel i Japan (Lag Nr. 25 från 1948, såsom ändrad, "FIEA") och varje Emissionsinstitut har utfäst och godkänt, och varje ytterligare Emissionsinstitut som utses under Programmet kommer behöva utfästa och godkänna, att de inte kommer erbjuda eller sälja några Lån, direkt eller indirekt, i Japan eller till, eller till fördel för, bofasta personer i Japan, eller till andra för att återerbjudanden eller återsäljning, direkt eller indirekt, i Japan eller till, eller till förmån för, bofasta personer i Japan, förutom i enlighet med ett undantag från registreringskraven i, och även i övrigt i enlighet med FIEA och varje annan tillämplig lag, föreskrift och riktlinje från myndigheterna i Japan.</p> <p>Nollkupongslån av definitiv form kan endast överlåtas och accepteras, direkt eller indirekt, inom, från eller till Nederländerna genom försorgen av antingen någon av Emittenterna eller ett medlemsföretag i Euronext Amsterdam by N.V. Euronext i full överensstämmelse med den Nederländska lagen om Besparingscertifikat (<i>Wet inzake spaarbewijzen</i>) från 21 maj 1985 (såsom ändrad) och dess implementeringsföreskrifter.</p>
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		<p>Grundprospektet (inklusive relevanta Slutliga Villkor) har inte registrerats som ett prospekt hos den singaporianska Finansinspektionen enligt den singaporianska lagen om värdepapper och terminer, kapitel 289 ("SFA"). Således får varken Grundprospektet (inklusive relevanta Slutliga Villkor) eller något annat dokument eller material i samband med erbjudande eller försäljning, eller teckningserbjudande eller erbjudande om försäljning, av Lån, cirkuleras eller spridas, eller bli föremål för en inbjudan för teckning eller försäljning, direkt eller indirekt, till personer i Singapore annat än (i) till en institutionell investerare under avsnitt 274 enligt SFA, (ii) till en relevant person enligt avsnitt 275(1) eller någon annan person enligt 275(1), och i enlighet med de villkor som specificeras i avsnitt 275 av SFA, eller (iii) annars enligt, och i enlighet med villkoren för, några andra bestämmelser i SFA.</p> <p>Inga Lån kopplade till kollektiva investeringsplaner (såsom definierat i SFA) får erbjudas eller säljas, eller göras föremål för inbjudan till teckning eller köp, varken direkt eller indirekt, till personer i Singapore.²²</p>
C.8	<p>Rättigheter kopplade till Lånen, inklusive rangordning och begränsningar av sådana rättigheter</p>	<p>Lånens status: Lånen utgör icke-säkerställda och icke-efterställda förpliktelser för den relevanta Emittenten och rangordnas <i>pari passu</i> utan någon preferens mellan sig själva och minst <i>pari passu</i> gentemot alla övriga av den relevanta Emittentens nuvarande och framtida utestående icke-säkerställda och icke-efterställda förpliktelser.</p> <p>Valörer: Lån kommer ges ut i sådana valörer som kan finnas angivna i de relevanta Slutliga Villkoren, föremål för (i) en lägsta valör om €1 000 (eller dess motsvarighet i andra valutor), och (ii) i enlighet med alla tillämpliga juridiska och/eller regulatoriska och/eller centralbankskrav.</p> <p><i>Lånen är utställda i valör(erna) [].</i></p> <p>Åtagande att inte ställa säkerhet: Ingen.</p> <p>Korsvisa uppsägningsgrunder: Ingen.</p> <p>Beskattning: Alla betalningar med hänsyn till Lånen kommer göras utan källskatt eller avdrag för skatt såvida inte detta fordras av svensk eller finsk lag, föreskrifter eller andra regler, eller beslut från finska eller svenska myndigheter. I händelse av att någon av Emittenterna måste göra avdrag för eller undanhållande av finsk eller svensk skatt för någon som inte omfattas av beskattning i Sverige eller Finland kommer Emittenten betala ett tilläggsbelopp för att säkerställa att de relevanta innehavarna av Lån, vid förfallodagen, kommer erhålla ett nettobelopp som är lika med det belopp som innehavarna skulle ha erhållit om det inte vore för avdragen eller de undanhållna beloppen, förutom i enlighet med vissa sedvanlig undantag.</p> <p>Gällande lag: Lånen och alla icke-avtalsenliga förpliktelser som uppstår ur eller i samband med Lånen styrs av antingen brittisk lagstiftning, finsk lagstiftning, svensk lagstiftning, dansk lagstiftning eller norsk lagstiftning, förutom att (i) registreringen av VP-Lån i VP styrs av dansk lagstiftning, (ii) registreringen av VPS-Lån i VPS styrs av norsk lagstiftning, (iii) registreringen av Svenska Lån i Euroclear Sweden styrs av svensk lagstiftning, och (iv) registreringen av Finska Lån i Euroclear Finland styrs av finsk lagstiftning.</p> <p><i>Lånen styrs av [brittisk lagstiftning / finsk lagstiftning / dansk lagstiftning / svensk lagstiftning / norsk lagstiftning].</i></p>

²² Genom Tilläggsprospektet daterat 24 april 2015 har information om restriktioner avseende försäljning i Singapore lagts till.

		<p>Verkställighet av Lån i Global Form: Gällande Globala Lån kommer den individuella investerarens rättigheter mot den relevanta Emittenten att styras av ett sidoavtal daterad den 19 december 2014²³ ("Sidoavtalet") av vilket det kommer finnas en kopia tillgängligt för inspektion på det angivna kontoret för Citibank, N.A., London Branch som fiscal agent ("Fiscal Agent").</p>
C.9	Rättigheter kopplade till Lånen (fortsättning), inklusive information angående Ränta, Förfallodag, Avkastning och Representant för Innehavarna:	<p>Ränta: Lån kan vara räntebärande eller icke-räntebärande. Ränta (om så förekommer) kan:</p> <ul style="list-style-type: none"> - utgå baserad på fast kurs eller rörlig kurs; - vara inflationsskyddad, varigenom det räntebelopp som ska betalas är kopplat till ett konsumentprisindex eller annat inflationsmått; - vara länkade till huruvida en Kredithändelse inträffar eller ej med avseende på skuldförpliktelse för en eller flera referensenheter ("Kreditlänkade Lån" eller "CLN"). En Kredithändelse är en bolagshändelse som vanligtvis gör att en fordringsägare för Referensenheten drabbas av en förlust (t.ex. konkurs eller underlåtenhet att betala). Om en Kredithändelse inträffar för en Referensenhet, kan det nominella belopp som används för beräkning av ränta som ska betalas minskas. Se avsnitt C.10 för ytterligare information; - vara kumulativa, förutsatt att vissa värdeutvecklingströsklar har uppnåtts; - vara länkade till utvecklingen för en specificerad referenskurs (som skulle kunna vara en räntekurs eller en inflationsåtgärd) under en specificerad period jämfört med ett antal förbestämda lösenpris/barriärnivåer, där ett sådant räntebelopp också kan vara föremål (i vissa fall) för tak/golv; - vara länkade till prestationen hos en eller flera korgar med underliggande tillgångar (envar en "Referenstillgång" och tillsammans en "Korg") eller en specifik Referenstillgång i relevant Korg (till exempel Referenstillgången med sämst värdeutveckling) jämfört med en förbestämd lösenprisnivå; och/eller - vara länkade till den procentandel av Referenstillgångarna i Korgen som är över en förbestämd barriärnivå vid varje arbetsdag, upp till och inkluderande det relevanta räntebetalningsdatumet (vart och ett utgörande en "Räntebetalningsdag"). <p>Den tillämpliga räntesatsen eller dess beräkningsmetod kan variera vid olika tidpunkter eller vara konstant för en Serie av Lån. Lån kan ha en maxränta, minimiränta eller både och. Ränteperiodernas längd för Lånen kan också variera vid olika tidpunkter eller vara konstant för en Serie Lån. Ränta på Lånen kan också utgå på grundval av en kombination av olika strukturer.</p> <p><i>Uppskjuten Ränta:</i> om Uppskjuten Ränta tillämpas på Lånen ska alla betalningar av ränta som annars hade förfallit till betalning enligt tillämplig räntestruktur eller tillämpliga räntestrukturer uppskjutas till det tidigare av Återbetalningsdagen eller den dag som förtida återbetalning av hela Lånen görs.</p>

²³ Genom Tilläggsprospektet daterat den 11 februari 2015 har datumet för Sidoavtalet korrigerats från den 20 december 2013 till den 19 december 2014.

	<p><i>Valutakomponenter:</i> om Valuta-komponenter tillämpas på en eller flera Räntebetalningsdagar ska det räntebelopp för den relevanta Räntebetalningsdagen eller de relevanta Räntebetalningsdagarna, bestämt i enlighet med de räntenivåstrukturer som är tillämpliga på de specifika Lånen, multipliceras med en faktor som återspeglar variationen i en eller flera utländska valutakurser för den tillämpliga ränteperioden, för att avgöra den faktiska räntan som ska betalas.</p> <p>[Valutakomponenten (Ränta) är [tillämplig på följande Räntebetalningsdagar: []/Ej tillämplig] [Underliggande utländska valutakursen är: []]</p> <p><i>Lånen har ingen ränta./Lånen är räntebärande:</i></p> <p><i>Räntebas:</i> [].</p> <p><i>Nominell räntesats:</i> [].</p> <p><i>Räntans startdatum:</i> [].</p> <p><i>Räntebetalningsdag(ar):</i> [].</p> <p><i>Uppskuten Ränta:</i> [Tillämplig/Ej tillämplig]</p> <p><i>Beskrivning av underliggande Referenskurs/Referenstillgång(ar):</i> [].]</p> <p><i>Information om historisk och framtida utveckling av Referenskursen och Referenstillgångar kan inhämtas från:</i> [].</p> <p>[Marginal: +/- [].]</p> <p>[Högsta Räntesats: [].]</p> <p>[Lägsta Räntesats: [].]</p> <p>[Dagberäkningsmetod: [].]</p> <p>Återbetalning: Den relevanta Emittenten återbetalar Lånen med deras återbetalningsbelopp ("Återbetalningsbelopp") och på den/de återbetalningsdag(ar) ("Återbetalningsdag") som specificeras i de Slutliga Villkoren.</p> <p>Återbetalningsbeloppet kan vara en kombination av ett fast belopp ("Basåterbetalningsbelopp") och ett eller flera tilläggsbelopp ("Tilläggsbelopp") vilka fastställs i enlighet med en eller flera av de värdeutvecklingsstrukturer som specificeras i avsnitt C.10 nedan. Återbetalningsbeloppet kan också vara ett bestämt belopp, eller bestämmas direkt i enlighet med en eller flera av de värdeutvecklingsstrukturerna specificerade i avsnitt C.10 nedan.</p> <p>Tilläggsbeloppet kan komma att adderas till, eller subtraheras från, Basåterbetalningsbeloppet i syfte att beräkna Återbetalningsbeloppet som ska betalas vid förfallodagen, och kan vara negativt. Som en följd kan en Innehavare under vissa förhållanden erhålla ett belopp lägre än Lånens Kapitalbelopp vid dess slutliga återbetalning. De Slutliga Villkoren specificerar vilken av värdeutvecklingsstrukturerna som är tillämplig på respektive Serie av Lån.</p>
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	<p>Förtida återbetalning av Lån kan eventuellt bli tillåtet (i) på begäran av den relevanta Emittenten eller innehavaren av Lån, i enlighet med Villkoren, förutsatt att sådan förtida återbetalning tillåts enligt med de Slutliga Villkoren, (ii) om den relevanta Emittenten har eller kommer att bli tvungen att betala vissa tillkommande belopp med avseende på Lånen som ett resultat av någon eventuell ändring av skattelagarna i jurisdiktionen där den relevanta Emittenten har sitt säte eller (iii) till viss del, efter att någon Kredithändelse inträffat i förhållande till en eller flera Referensenheter</p> <p>Där en av värdeutvecklingsstrukturerna "Autocall" gäller kommer, om den avkastning som skapas av Korgen eller viss(a) Referenstillgång(ar) är lika med eller över en förbestämd barriärnivå vid något specificerat datum, den relevanta Emittenten att återbetala Lånen i förtid på nästkommande förtida återbetalningsdag med ett belopp som är lika med Lånens Kapitalbelopp, tillsammans med en förbestämd kupong (om sådan finns).</p> <p>Om så angivits i de Slutliga Villkoren, kan det belopp som ska betalas vid förtida återbetalning ("Förtida Återbetalningsbelopp") reduceras med ett belopp som fastställs av Beräkningsagenten, som är lika med summorna av de kostnader, utgifter, skatter och tullavgifter som den relevanta Emittenten ådragit sig i samband med den förtida Återbetalningen.</p> <p><i>Såvida inte dessförinnan återbetalda, eller köpta och upphävda, kommer Lånen att bli återbetalade med [par/deras Återbetalningsbelopp om [] per Beräkningsbelopp/ett belopp beräknat i enlighet med värdeutvecklingsstrukturen[/erna] som finns specificerad i avsnitt C.10 nedan/ett belopp uppgående till summan av Basåterbetalningsbeloppet om [] och Tilläggsbeloppet[/en] beräknat i enlighet med värdeutvecklingsstrukturen(-erna) som specificeras i avsnitt C.10 nedan]. [Lån kan inlösas före den planerade Återbetalningsdagen efter val av Emittenten/Innehavarna]/[Lånen har Autocallstruktur]</i></p> <p><i>Återbetalningsdagen är []/Lånen är återbetalningsbara genom Avbetalningar på [].</i></p> <p>Pris: Priset för varje Tranch av Lån som ska ges ut under Programmet kommer att fastställas av den relevanta Emittenten vid tiden för när Lånen ges ut, i enlighet med rådande marknadsförhållanden.</p> <p><i>Priset för Lånen är: [•].</i></p> <p>Avkastning: Avkastningen på varje Tranch av Lån kommer att beräknas på grundval av det relevanta priset på det relevanta lånedatumet. Det är inte en indikation om framtida avkastning.</p> <p><i>Baserat på Priset på [] på Lånedatumet, är den förväntade avkastningen från Lånen [] procent per år.</i></p> <p>Representant för Innehavarna: Ej tillämpligt. Det finns ingen representant utsedd som ska agera på uppdrag av Innehavarna.</p>
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		<p>Ersättning av Referenstillgång, förtida beräkning av Återbetalningsbeloppet eller tillägg till Villkoren: Där så är tillämpligt i enlighet med Villkoren får den relevanta utgivaren byta ut en Referenstillgång, utföra en förtida beräkning av Återbetalningsbeloppet eller göra eventuellt tillägg till Villkoren i den mån relevant Emittent bedömer detta som nödvändigt, om vissa händelser inträffar, inklusive marknadsavbrott, avbrott i riskhantering, förändring i lagstiftning eller marknadspraxis, priskorrigeringar och andra relevanta utvecklingar som påverkar en eller fler av den/de underliggande Referenstillgången(-arna) eller några hedging-arrangemang ingångna av en eller flera entiteter inom Nordea-koncernen för att säkra den relevanta Emittentens förpliktelser i förhållande till Lånen.</p>
<p>C.10</p>	<p>Derivat-komponenter:</p>	<p>De värdeutvecklingsstrukturer som beskrivs nedan bestämmer på vilket sätt värdeutvecklingen hos den/de relevanta Referenstillgången(-arna) eller Referensenheterna påverkar Återbetalningsbeloppet och/eller Tilläggsbeloppet för Lånen. Den relevanta Emittenten kan välja att kombinera två eller fler värdeutvecklingsstrukturer när Lån ges ut:</p> <p><i>"Basket Long" struktur:</i> Tilläggsbeloppet är lika med Lånens Kapitalbelopp multiplicerat med (i) ett belopp som återspeglar Korgens avkastning ("Korgavkastningen") och (ii) en ratio som används för att bestämma innehavarens exponering mot utvecklingen för de olika Referenstillgångarna ("Deltagandegrad"). Utvecklingen för en Referenstillgång bestäms med hänvisning till det belopp med vilket slutkursen ("Slutkursen") överstiger Referenstillgångens startkurs ("Referenstillgångsavkastning"). Slutkursen kan bestämmas på grundval av ett genomsnittsvärde på Referenstillgången under Lånens giltighetstid (dvs. det finns flera värderingstidpunkter under giltighetstiden, varje sådan ett "Värderingsdatum"), men det kan även bestämmas på grundval av en enda värdering. Referenstillgångsavkastningen eller Korgavkastningen kan dessutom bli föremål för ett golv, vilket agerar som en lägsta nivå för utveckling, eller ett tak, vilket agerar som en högsta nivå för utveckling.</p> <p><i>"Basket Short" struktur:</i> Tilläggsbeloppet är lika med Lånens Kapitalbelopp multiplicerat med (i) Korgavkastningen och (ii) Deltagandegraden. Om Referenstillgångarnas utveckling inom Korgen är positiv kommer detta att få en negativ inverkan på den sammantagna avkastning som skapats av Korgen och därför den avkastning som ska betalas till Innehavarna. Om Referenstillgångarnas prestation inom Korgen är negativ kommer detta att få en positiv inverkan på den sammantagna avkastning som skapats av Korgen och därför den avkastning som ska betalas till Innehavarna. Referenstillgångsavkastningen och/eller Korgavkastningen kan också vara föremål för ett golv eller ett tak, såsom beskrivet ovan.</p> <p>Om inte annat stadgas kan Korgavkastningen som används i någon av värdeutvecklingsstrukturerna beräknas antingen med utgångspunkt från "Basket Long" eller "Basket Short"-strukturerna, såsom framgår i de tillämpliga Slutliga Villkoren.</p> <p><i>[Korgavkastningen bestäms i enlighet med "Basket Long"/"Basket Short"-strukturen]/[Korgavkastning ej tillämpligt]</i></p> <p><i>"Barriär Outperformance" struktur:</i> om Korgens utveckling överstiger en specificerad barriärnivå, kommer Tilläggsbeloppet att utgöra en förbestämd maximal Korgavkastning. Om den specificerade barriärnivån inte överskrids kommer Tilläggsbeloppet att vara noll.</p>

	<p><i>"Barriär Underperformance" struktur:</i> om Korgens utveckling faller under en specificerad barriärnivå, kommer Tilläggsbeloppet att utgöra en förbestämd maximal Korgavkastning. Om den specificerade barriärnivån inte överskrids kommer Tilläggsbeloppet att vara noll.</p> <p><i>"Best of/Worst of" Barriär" struktur:</i> Detta är detsamma som "Barriär Outperformance" strukturen, förutom att observationen av barriärnivån och beräkningen av Tilläggsbeloppet kommer att bestämmas med hänvisning till värdeutvecklingen hos Referenstillgången med den Nth bästa värdeutvecklingen snarare än Korgen som helhet.</p> <p>Referenstillgången med den Nth bästa värdeutvecklingen kommer vara Referenstillgången med den Nth högsta Referenstillgångsavkastningen, där "N" ska vara den siffra som anges i Slutliga Villkor.</p> <p><i>"Best of/Worst of" Barriär Underperformance" struktur:</i> Detta är detsamma som "Barriär Underperformance" strukturen, förutom att observationen av barriärnivån och beräkningen av Tilläggsbeloppet kommer att bestämmas med hänvisning till värdeutvecklingen hos den Referenstillgång med den Nth bästa värdeutvecklingen snarare än Korgen som helhet.</p> <p><i>"Autocallstruktur Long":</i> Om Korgavkastningen understiger en förbestämd riskbarriärnivå på en relevant observationsdag ("Riskbarriärobservationsdag"), kommer Tilläggsbeloppet beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och det lägre av Korgavkastningen och den på förhand bestämda högsta Korgavkastningen. Om Korgavkastningen på en Riskbarriärobservationsdag inte understiger den förbestämda riskbarriärnivån, kommer Tilläggsbeloppet att vara lika med Lånens Kapitalbelopp multiplicerat med Deltagandegraden 2 och det högre av (i) Korgavkastningen och (ii) en förbestämd lägsta Korgavkastning. En Kupong kan också vara förfallen till betalning (se avsnitt C.9 för detaljerad information angående Kupongen). Lånen kommer dessutom att vara föremål för förtida återbetalning om den avkastning som genereras av Korgen överstiger den relevanta inlösenbarriärnivån på någon observationsdag.</p> <p><i>"Autocallstruktur Kort":</i> denna struktur liknar "Autocallstruktur Long" med den skillnaden att den positiva utvecklingen för Referenstillgångarna inom Korgen kommer att ha en negativ inverkan på Lånens avkastning.</p> <p><i>"Replacement Basket" struktur:</i> Tilläggsbeloppet beräknas på liknande sätt som för Basket Long-strukturen, med skillnaden att de avkastningar som genereras av Referenstillgångarna med bäst värdeutveckling ersätts med ett förbestämt värde för syftet att bestämma Korgens totala värdeutveckling.</p> <p><i>"Locally Capped Basket" struktur:</i> Tilläggsbeloppet beräknas på liknande sätt som för Basket Long-strukturen eller Basket Short-strukturen, med skillnaden att den avkastning som genereras av varje Referenstillgång är föremål för ett förbestämt maximalt procentvärde för syftet att bestämma Korgens totala värdeutveckling.</p> <p><i>"Rainbow" struktur:</i> Tilläggsbeloppet beräknas på liknande sätt som Basket Long eller Basket Short-strukturen, med skillnaden att Referenstillgångarnas viktning inom Korgen bestäms med hänvisning till tillgångarnas relativa värdeutveckling. Varje Referenstillgång mäts separat på förfallodagen och rangordnas beroende på respektive enskild tillgångs värdeutveckling. Referenstillgångens vikt i Korgen bestäms av vad som framgår i Slutliga Villkor.</p>
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	<p><i>"Booster"</i> strukturer: Boosterstrukturer har en förbättrad positiv eller negativ avkastning som baseras på utvecklingen i den underliggande Referenstillgången eller de underliggande Referenstillgångarna. Investerarens exponering mot utvecklingen i Referenstillgången kan öka eller minska genom tillämpning av olika deltagandegrader. Inom en "Booster Long"-struktur kommer den positiva utvecklingen för Referenstillgångarna ha en positiv effekt på avkastningen på Lånen. I en "Booster Short"-struktur kommer en positiv utveckling i för Referenstillgångarna ha en negativ effekt på avkastningen på Lånen.</p> <p><i>"Booster Riskbarriär Long" struktur:</i> Tilläggsbeloppet kommer bero på den avkastning som genererats av Korgen i jämförelse med en förbestämd barriärnivå för en Värderingsdag och Korgens startvärde. Om Korgavkastningen motsvarar eller överstiger Korgens startvärde på den slutliga Värderingsdagen kommer Tilläggsbeloppet beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen på den slutliga Värderingsdagen. Om Korgavkastningen motsvarar eller överstiger barriärnivån på alla Värderingsdagar men under Korgens startvärde på den slutliga Värderingsdagen kommer Tilläggsbeloppet vara noll. Om Korgavkastningen understiger barriärnivån på någon Värderingsdag och under Korgens startvärde på den slutliga Värderingsdagen kommer Tilläggsbeloppet beräknas med referens till Korgavkastningen och en annan deltagandegrad, vilket kan resultera i ett Återbetalningsbelopp som är lägre än Kapitalbeloppet. Om utvecklingen för en Referenstillgång inom Korgen är positiv kommer detta ha en positiv inverkan på den totala avkastningen som genereras av Korgen. Om utvecklingen i en Referenstillgång inom Korgen är negativ kommer detta ha en negativ inverkan på den totala avkastningen som genereras av Korgen och således på Tilläggsbeloppet.</p> <p><i>"Booster Riskbarriär Short" struktur:</i> Tilläggsbeloppet beräknas på ett liknande sätt som för "Booster Riskbarriär Long"-strukturen. Skillnaden är att när utvecklingen för Korgen är positiv kommer detta ha en negativ inverkan på Tilläggsbeloppet. Om utvecklingen för Korgen är negativ kommer detta ha en positiv inverkan på Tilläggsbeloppet.</p> <p><i>I förhållande till Lån som emitteras i enlighet med villkoren för grundprospektet daterat 20 december 2013 och tilläggsprospektet daterat 14 februari 2014 ("December 2013-villkoren"), som inkorporeras genom hänvisning till detta Grundprospektet, kan "Booster Riskbarriär"-strukturerna sammanfattas enligt följande:</i></p> <ul style="list-style-type: none"> • <i>"Booster Riskbarriär Short" struktur:</i> Tilläggsbeloppet kommer bero på den avkastning som genererats av Korgen i jämförelse med en förbestämd barriärnivå för en Värderingsdag och Korgens startvärde. Om summan av Korgavkastningen och 1 ligger på eller över Korgens startvärde på någon Värderingsdag kommer Tilläggsbeloppet beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen. Om summan av Korgavkastningen och 1 är på eller över barriärnivån på alla Värderingsdagar men under Korgens startvärde på någon Värderingsdag kommer Tilläggsbeloppet vara noll. Om summan av Korgavkastningen och 1 ligger under barriärnivån på någon Värderingsdag och under Korgens startvärde på någon Värderingsdag kommer Tilläggsbeloppet beräknas med referens till Korgavkastningen och en annan deltagandegrad, vilket kommer resultera i ett Återbetalningsbelopp som är lägre än Kapitalbeloppet. Om utvecklingen för en Referenstillgång inom Korgen är positiv kommer detta ha en negativ inverkan på den totala avkastningen som genereras av Korgen. Om utvecklingen i en Referenstillgång inom Korgen är negativ kommer detta ha en positiv inverkan på den totala
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		<p>avkastningen som genereras av Korgen och således på det belopp som ska betalas vid återbetalning av Lånen.</p>
		<ul style="list-style-type: none"> • <i>"Booster Riskbarriär Long" struktur:</i> Tilläggsbeloppet beräknas på ett liknande sätt som för "Booster Riskbarriär Short"-strukturen. Skillnaden är att när utvecklingen för en Referenstillgång inom Korgen är positiv kommer detta ha en positiv inverkan på den totala avkastningen som genereras av Korgen. Om utvecklingen för en Referenstillgång inom Korgen är negativ kommer detta ha en negativ inverkan på den totala avkastningen som genereras av Korgen och således på beloppet som ska betalas vid återbetalning av Lånen. <p>Lånen [är/är inte] utgivna i enlighet med December 2013-villkoren.</p> <p><i>"Twin Win"-struktur:</i> Tilläggsbeloppet beräknas på ett liknande sätt som för "Basket Long"-strukturen – om utvecklingen av Korgen är positiv så kommer Tilläggsbeloppet också att vara positivt. Om utvecklingen av Korgen är negativ men över en förutbestämd Barriärnivå kommer Tilläggsbeloppet också att vara positivt. Om utvecklingen för Korgen är negativ men under den relevanta Barriärnivån kommer Tilläggsbeloppet också att vara negativt och Återbetalningsbeloppet kan därför komma att understiga Lånens Kapitalbelopp.</p> <p><i>"Bonus Booster Short" struktur:</i> Tilläggsbeloppet beräknas på ett liknande sätt som för "Booster Riskbarriär Short"-strukturen med skillnaden att om avkastningen som genereras av Korgen inte ligger under barriärnivån på de(n) relevanta Värderingsdagen(/arna), kommer Tilläggsbeloppet vara det högre av (i) en förbestämd kupongnivå och (ii) ett belopp som beräknas genom att multiplicera Kapitalbeloppet med Deltagandegraden och Korgavkastningen. En positiv utveckling för Referenstillgångarna inom Korgen kommer ha en negativ inverkan på den totala avkastningen som genereras av Korgen.</p> <p><i>"Bonus Booster Long" struktur:</i> Tilläggsbeloppet beräknas på ett liknande sätt som för "Bonus Booster Short"-strukturen. Skillnaden är att när utvecklingen för Referenstillgångarna inom Korgen är positiv kommer detta ha en positiv inverkan på den totala avkastningen som genereras av Korgen. Om utvecklingen i Referenstillgångarna inom Korgen är negativ kommer detta ha en negativ inverkan på den totala avkastningen som genereras av Korgen.</p> <p><i>"Periodsumme"-struktur</i> Tilläggsbeloppet kommer baseras på den ackumulerade summan av de relativa procentuella ändringarna i den underliggande Korgen för ett antal förbestämda värderingsperioder under löptiden för Lånen. Följande funktioner kan även användas: (i) de relativa ändringarna i den underliggande Korgen kan lokalt tilldelas tak/golv-nivåer för varje värderingsperiod, (ii) den ackumulerade summan av de relativa ändringarna kan bli föremål för ett globalt tak/golv, och (iii) produkten kan ha en lock-in-funktion som innebär att den ytterligare avkastningen minst kommer vara lika med lock-in-nivån om den ackumulerade avkastningen på någon värderingsdag har nått en förbestämd lock-in-nivå.</p> <p><i>"Omvänd Periodsumme" struktur:</i> denna är väldigt lik "Periodsumme"-strukturen, men den ytterligare avkastningen beräknas genom att subtrahera de relativa procentuella ändringarna i den underliggande Korgen (för ett antal förbestämda värderingsperioder) från en förbestämd startkupong.</p>

	<p><i>"Ersättande Periodsumme" struktur:</i> denna är väldigt lik "Periodsumme"-strukturen där skillnaden ligger i att avkastningarna som genereras av ett visst antal av värderingsperioderna med bäst utveckling byts ut mot ett förbestämt belopp.</p> <p><i>"Omvänd Ersättande Periodsumme" struktur:</i> denna är väldigt lik "Omvänd Periodsumme"-strukturen där skillnaden är att avkastningarna som genereras av ett visst antal av värderingsperioderna med bäst utveckling byts ut mot ett förbestämt belopp.</p> <p><i>"Rainbow Ersättande Periodsumme" struktur:</i> utvecklingen i varje individuell Referenstillgång beräknas på samma grund som "Periodsumme"-strukturen. Skillnaden här är att vägningen av varje Referenstillgång inom Korgen bestäms efter det att utvecklingen i varje Referenstillgång är känd, enligt principen att den bäst presterande underliggande ges högst vikt och så vidare.</p> <p><i>"Omvänd konvertibel" struktur:</i> om Korgavkastningen ligger på eller över Korgens startnivå, kommer Återbetalningsbeloppet vara lika med Lånens Kapitalbelopp. Om Korgens avkastning ligger under Korgens startnivå kommer Återbetalningsbeloppet att vara lika med Kapitalbeloppet minus ett belopp som beräknas genom att multiplicera Kapitalbeloppet med Deltagandegraden och Korgavkastningen och därmed få fram ett Återbetalningsbelopp som är lägre än Lånens Kapitalbelopp. En positiv utveckling i Referenstillgångarna inom Korgen kommer ha en positiv inverkan på den totala avkastningen på Lånen och tvärtom kommer en negativ utveckling i de individuella Referenstillgångarna ha en negativ inverkan på den totala avkastningen på Lånen.</p> <p><i>"Omvänd Konvertibel Riskbarriär" struktur:</i> om Korgens avkastning ligger under Barriärnivån på någon Värderingsdag, och om Korgavkastningen vid den slutliga Värderingsdagen ligger under Korgens Startnivå kommer Återbetalningsbeloppet beräknas genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen och beloppet som ges kommer att adderas till Lånens Kapitalbelopp (i det här fallet kommer Återbetalningsbeloppet vara lägre än Kapitalbeloppet). Annars är Återbetalningsbeloppet lika med Lånens Kapitalbelopp.</p> <p><i>"Best of/Worst of Omvänd Konvertibel"-struktur:</i> Återbetalningsbeloppet beräknas på samma sätt som i "Omvänd Konvertibel Riskbarriär"-strukturen, förutom att den möjliga negativa utbetalningen bestäms med referens till utvecklingen för Referenstillgången med Nth bäst värdeutveckling (i motsats till den totala utvecklingen i Korgen).</p> <p><i>Up and In Option:</i> Tilläggsbeloppet beräknas som produkten av Deltagandegraden, Lånens Kapitalbelopp och differensen mellan Korgens slutliga värde och Korglösennivån under förutsättning att Korgen, på varje Värderingsdag under Lånens löptid, har utvecklats på eller över den förbestämda Barriärnivån. Om Barriärnivån inte har nåtts vid någon Värderingsdag kommer Tilläggsbeloppet vara lika med noll och Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp.</p> <p><i>Up and out Option:</i> Tilläggsbeloppet beräknas som produkten av Deltagandegraden, Kapitalbeloppet och differensen mellan Korgens slutliga värde och Korglösennivån, eller, om det är högre, en förbestämd kupongnivå under förutsättning att Korgen, vid varje Värderingsdag under Lånens löptid, har utvecklats på eller över den förbestämda Barriärnivån. Om Barriärnivån inte har nåtts vid någon Värderingsdag kommer Tilläggsbeloppet vara lika med noll och Återbetalningsbeloppet kommer vara lika med Lånens Kapitalbelopp.</p>
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	<p><i>Down and Out Basket Option:</i> Tilläggsbeloppet beräknas som produkten av Deltagandegraden, Lånens Kapitalbelopp och differensen mellan Korgens slutliga värde och Korglösenivån, om Korgen inte, vid någon Värderingsdag under Lånens löptid, har utvecklats upp till eller över en förbestämd Barriärnivå. Detta innebär att om Barriärnivån överskrids på någon Värderingsdag, är Tilläggsbeloppet noll.</p> <p><i>Worst of Down and Out Basket Option:</i> Denna struktur är identisk med Down and Out Basket Option-strukturen förutom att Tilläggsbeloppet beräknas med hänvisning till Referenstillgången med sämst värdeutveckling istället för hela Korgen.</p>
	<p><i>Worst of Calloption:</i> Worst of Calloption-strukturen ger Innehavaren en exponering mot Referenstillgången med sämst värdeutveckling i Korgen. Tilläggsbeloppet som ska betalas till Innehavaren kommer vara det högre av noll och Referenstillgångsavkastningen för Referenstillgången med sämst värdeutveckling.</p> <p><i>Outperformance Option:</i> Medan Tilläggsbeloppet avseende en vanlig Korgstruktur är beroende av den absoluta utvecklingen för en Korg som består av en eller flera Referenstillgångar beror utbetalningen i en Outperformancesstruktur på den relativa utvecklingen för två Korgar, inte på den absoluta utvecklingen för varje Korg. Strukturen kan baseras på antingen två "Basket Long"-strukturer, två "Basket Short"-strukturer eller en "Basket Long"-struktur och en "Basket Short"-struktur.</p> <p><i>"Non-Tranched CLN" och "Tranched CLN" strukturer:</i> Återbetalningsbeloppet och, om tillämpligt, ränteutbetalningarna, baseras på de viktade förlusterna i samma eller olika portföljer av Referensenheter som ett resultat av att en eller flera Kredithändelser inträffar. För Tranched CLN:er kan det förekomma att en Kredithändelse inte har någon inverkan eller en mer proportionerlig inverkan på Återbetalningsbeloppet och, om relevant, ränteutbetalningar. Tranchfunktionen används för att bestämma andelen av förluster som en Innehavare kommer vara exponerad mot i händelse av att en Kredithändelse som påverkar en eller flera Referensenheter.</p> <p><i>"Nth to Default" och "Nth och N:te+1 to Default"-strukturer:</i> Återbetalningsbeloppet och, om tillämpligt, ränteutbetalningarna, baseras på antalet och ordningsföljden av Kredithändelser i samma Referensenhetsportfölj. Gällande Nth to Default-CLN:er, har inträffandet av N-1 Kredithändelser inte någon inverkan på Återbetalningsbeloppet och (om några) ränteutbetalningar, samtidigt som Nth Kredithändelsen kommer ha en mer än proportionerlig inverkan på dessa siffror. På samma sätt gällande Nth och Nth+1 to Default-CLN:erna kommer inverkan från den Nth och Nth+1 Kredithändelsen ha en mer än proportionerlig inverkan.</p>

	<p><i>Option CLN:</i> syftet med strukturen är att ge en investerare exponering mot kreditrisker (d.v.s. risken för att en Kredithändelse ska inträffa) inom en specifik marknad såsom europeiska eller amerikanska "investment grade"-bolag, eller högavkastande låntagare. Exponeringen uppstår genom utgivandet av Lån kopplade till index CDS-spreadar som motsvarar kostnaden för riskhantering avseende Kredithändelser som påverkar de bolag som ingår i ett index. Genom att använda en single option-värdeutvecklingsstruktur kan Emittenterna erbjuda strukturer varigenom investerare får fördelar av förändringar i kredit-spreadar, t.ex. om kredit-spreadar ökar till att överstiga eller sjunker till att understiga givna nivåer. Emittenterna kan också erbjuda strukturer där en investerare får fördelar av förändringar i kredit-spreadar men där den potentiella intjäningen är begränsad, t.ex. där en investerare får fördelar om kredit-spreadar sjunker till att understiga en viss given nivå, men inte ytterligare genom att spreadarna sjunker ytterligare under denna nivå. Genom att kombinera tre eller fyra utbetalningar kan Emittenterna erbjuda ytterligare strukturer.</p> <p><i>Digital Long</i></p> <p>Om Korgavkastningen vid den slutliga Värderingsdagen överstiger Korgenlösnivån kommer Tilläggsbeloppet vara lika med Lånens Kapitalbelopp multiplicerat med Kupongen.</p> <p>Om Korgavkastningen inte överstiger Korgenlösnivån vid den slutliga Värderingsdagen kommer Tilläggsbeloppet vara noll. Positiv utveckling i Referenstillgångarna kommer ha en positiv inverkan på avkastningen på Lånen.</p> <p><i>Digital Short</i></p> <p>Om Korgavkastningen vid den slutliga Värderingsdagen understiger Korglösnivån kommer Tilläggsbeloppet vara lika med Lånens Kapitalbelopp multiplicerat med Kupongen.</p> <p>Om Korgavkastningen är lika med eller överstiger Korglösnivån vid den slutliga Värderingsdagen kommer Tilläggsbeloppet vara noll. Positiv utveckling i Referenstillgångarna kommer ha en negativ inverkan på avkastningen på Lånen.</p> <p><i>"Best of/Worst of" Digitals:</i> Digital Long- och Digital Short-strukturerna kan också kombineras med ett "Best of/Worst of"-inlag, varvid Tilläggsbeloppet beräknas med hänvisning till värdeutvecklingen hos Referenstillgången med den Nth bästa värdeutvecklingen snarare än Korgen som helhet.</p> <p><i>Worst of Digital Memory Coupon 1:</i> Worst of Digital Memory Coupon-optionen är en remsa av villkorade "sämsta av" digitala val. Ett Tilläggsbelopp motsvarande Lånens Kapitalbelopp multiplicerat med Kupongerna och K betalas på Återbetalningsdagen. K är numret i ordningen av Värderingsdagar som Referenstillgångsavkastningen för den Referenstillgång med sämst utveckling är lika med eller överstiger den relevanta barriärnivån på varje Värderingsdag, upp till och med den aktuella Värderingsdagen (första värderingsdagen = 1, andra = 2 etc).</p> <p><i>"Series of Digitala":</i> Återbetalningsbeloppet avgörs av den procentandel av Referenstillgångarna inom Korgen som ligger över en förbestämd barriärnivå på varje Värderingsdag.</p>
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	<p><i>"Delta 1 struktur"</i>: Återbetalningsbeloppet kommer vara lika med det återbetalningsbelopp som mottagits av den relevanta Emittenten (eller annan entitet inom Nordea-koncernen) genom att sådan Emittent eller entitet avvecklar ett hedging-arrangemang satt i plats för att efterlikna riskerna och fördelarna av en direktinvestering i Referenstillgångarna, minus (i) en betalbar struktureringsavgift till relevant Emittent och (ii) alla tillämpliga skatter. En Delta 1-struktur speglar i praktiken vinsterna eller förlusterna som en investerare skulle göra genom ett direkt ägande av de relevanta Referenstillgångarna. Om hedgingparten inte kan inlösa Referenstillgångarna innan det planliga förfalldatumet, eller om hedgingparten fastställer att den inte kommer motta det totala beloppet av återbetalningsbeloppen innan det planliga förfalldatumet, kommer en uppskjuten återbetalning ske och den relevanta Emittenten kan göra en delvis inlösen av Lånen när och som den relevanta hedgingparten mottar en väsentlig del av återbetalningsbeloppen, eller upphäva Lånen utan att göra någon betalning till innehavarna om den relevanta Emittenten fastställer att återbetalningsbeloppen inte kommer mottagas tidigare än det specificerade long stop-datumet.</p> <p><i>"Inflation Linker"</i>: Återbetalningsbeloppet är Lånens Kapitalbelopp multiplicerat med det högsta av en lägsta återbetalningsprocent (angiven som en procentsats av Lånens kapitalbelopp) och kvoten som erhålls genom att dividera Inflationstakten på den slutliga Värderingsdagen med Inflationstakten på Startdagen.</p> <p><i>"Barriär Outperformance"-struktur 2</i>: om Korgavkastningen på någon Värderingsdag överstiger Barriärnivån kommer Tilläggsbeloppet beräknas som Lånens Kapitalbelopp multiplicerat med Deltagandegraden och multiplicerat med det högre av Kupongen och Korgavkastningen. Om summan av Korgavkastningen och 1 inte överstiger Barriärnivån på någon Värderingsdag kommer Tilläggsbeloppet vara noll.</p> <p><i>"Barriär Underperformance"-struktur 2</i>: om Korgavkastningen på någon Värderingsdag understiger Barriärnivån kommer Tilläggsbeloppet beräknas som Lånens Kapitalbelopp multiplicerat med Deltagandegraden och multiplicerat med det högre av Kupongen och Korgavkastningen. Om Korgavkastningen inder understiger Barriärnivån på någon Värderingsdag kommer Tilläggsbeloppet vara noll.</p> <p><i>Eftersträvad Volatilitetsstrategi</i>: Om Eftersträvad Volatilitetsstrategi är tillämplig på Lånen, fastställs den avsedda exponeringen mot underliggande Referenstillgång(ar) eller Korg ("Exponeringen") genom att jämföra:</p> <ul style="list-style-type: none"> (i) den kortfristiga historiska volatiliteten för underliggande Korg, och (ii) en eftersträvad volatilitetsnivå ("Eftersträvad Volatilitet"), <p>med förbehåll för ett på förhand bestämt tak eller golv.</p> <p>När underliggande Referenstillgång(ar)s eller Korgs kortfristiga historiska volatilitet ökar, minskar den avsedda Exponeringen mot underliggande Referenstillgång(ar) eller Korg och när underliggande Referenstillgång(ar)s eller Korgs kortfristiga historiska volatilitet minskar, ökar den avsedda exponeringen mot underliggande Referenstillgång(ar) eller Korg.</p>
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	<p><i>"Down and in Option"</i>: En "Down and in Option" är en slags barriär-option som ger en positiv avkastning endast om priset på underliggande Referenstillgång eller Korg faller under en förutbestämd barriärnivå under Lånens löptid. Barriärnivån är satt till en nivå som understiger gällande pris för en Referenstillgång eller Korg vid datumet för utgivande av de relevanta Lånen. Om Referenstillgången eller Korgens värde faller under barriärnivån kommer Tilläggsbeloppet att vara positivt och om Referenstillgången eller Korgens värde inte faller under barriärnivån kommer Tilläggsbeloppet att vara noll.</p> <p><i>Booster Risk Barrier 2</i>: Booster Risk Barriär 2-strukturen är en kombination av en "at the money" call-option och en "out of the money" put-option. Lösenprisnivån för call-optionen sätts till det gällande priset för en Referenstillgång eller Korg vid datumet för utgivande av de relevanta Lånen. Om Referenstillgången eller Korgens värde överstiger en förutbestämd barriärnivå bestäms Tilläggsbeloppet genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden och Korgavkastningen (beräknat enligt metoden för att beräkna "Basket Long" enligt ovan). Lösenprisnivån för put-optionen sätts till ett belopp understigande gällande pris för en Referenstillgång eller Korg vid datumet för utgivande av relevant Lån. Om värdet på sådan Referenstillgång eller Korg sjunker till att understiga den specificerade barriärnivån bestäms Tilläggsbeloppet genom att multiplicera Lånens Kapitalbelopp med Deltagandegraden 2 och Korgavkastningen (beräknat enligt metoden för att beräkna "Basket Short" enligt ovan)</p> <p><i>"Autocall"-struktur</i>: Om värdet på en underliggande Referenskurs antingen överstiger eller understiger en förutbestämd barriärnivå bestämd i de relevanta Slutliga Villkoren ("Autocall-händelsen") kommer Lånen att inlösas i förtid. Om Autocall-händelsen inte inträffar före den slutliga Värderingsdagen kommer Lånen att inlösas på Återbetalningsdagen.</p> <p><i>Tillämpliga värdeutvecklingsstruktur(er) är:</i> []</p> <p><i>[Underliggande Korgavkastningsstruktur är Basket Long/Basket Short-strukturerna]/[Ej tillämpligt]</i></p> <p><i>Valutakomponenter</i>: om Valuta-komponenterna tillämpas på en eller flera värdeutvecklingsstrukturer angivna ovan kan Korgavkastningen eller Referenstillgångsavkastningen justeras genom att de multipliceras med en faktor som återspeglar variationen i en eller flera utländska valutakurser under de relevanta tidsperioderna som mäts eller observeras.</p> <p><i>[Valutakomponenten är tillämplig på Korgavkastningen/Referenstillgångsavkastningen] [Valutakomponenten är ej tillämplig]</i></p> <p><i>Best of/Worst of Modifier</i>: om Best of/Worst of Modifier tillämpas på en eller flera värdeutvecklingsstrukturer angivna ovan ska de relevanta iakttagelserna, värderingarna och beräkningarna av Tilläggsbeloppet fastställas med referens till utvecklingen av den Nth bäst presterande Referenstillgången, istället för till Korgen som helhet. N kommer att vara ett förbestämt värde som finns angivet i de Slutliga Villkoren.</p> <p><i>[Best of/Worst of Modifierare är tillämpligt och värdet av N är: []/Ej tillämpligt]</i></p> <p><i>Lookback Startkurs Modifierare</i>: om Lookback Startkurs Modifierare är tillämpligt beräknas Lånens Tilläggsbelopp baserat på antingen den högsta eller den lägsta Startkursen (vid ingången till en Värderingsperiod) för relevant Korg eller Referenstillgång, såsom närmare anges i Slutliga Villkor.</p> <p><i>[Lookback Startkurs Modifierare är Tillämpligt/ej Tillämpligt]</i></p>
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	<p><i>Lookback Slutkurs Modifierare:</i> om Lookback Slutkurs Modifierare är tillämpligt beräknas Lånens Tilläggsbelopp baserat på antingen den högsta eller den lägsta Slutkursen (vid utgången av en Värderingsperiod) för relevant Korg eller Referenstillgång, såsom närmare anges i Slutliga Villkor.</p> <p><i>[Lookback Slutkurs Modifierare är Tillämpligt/ej Tillämpligt]</i></p> <p><i>Lock-In Modifier:</i> om Lock-In Modifier tillämpas på Lånen ska Korgavkastningen ersättas med Lock-In Korgavkastningen för att beräkna Tilläggsbeloppet i enlighet med en eller flera av de ovanstående värdeutvecklingsstrukturerna. "Lock-In-Korgavkastningen" är den förutbestämda procentsats vilken korresponderar mot den högsta lock-in-nivån som uppnås eller överskrids av Korgavkastningen på en Värderingsdag.</p> <p><i>[Lock-In Modifierare är Tillämplig/ej Tillämplig]</i></p> <p><i>Kombination av Strukturer:</i> Relevant Emittent kan välja att kombinera en eller flera av värdeutvecklingsstrukturerna som beskrivs ovan i samband med ett utgivande av Lån. Om "Sammanslagning" är specificerat i Slutliga Villkor kommer det totala betalbara Tilläggsbeloppet vara lika med summan av de olika tillämpliga Tilläggsbeloppen i varje fall multiplicerat med en procentsats som återger²⁴ den totala andelen av den sammanlagda avkastningen som den relevanta Emittenten avser att varje värdeutvecklingsstruktur bidrar. Om "Subtraktion" är angivet i Slutliga Villkor kommer ett Tilläggsbelopp subtraheras från ett annat. Om "Alternativ Uträkning" är angiven i Slutliga Villkor kommer den värdeutvecklingsstruktur som används för att bestämma Tilläggsbeloppet avvika beroende på huruvida Korgavkastningen på en viss Värderingsdag har överstigit en eller flera förutbestämda Barriärnivåer eller ej, såsom framgår av relevanta Slutliga Villkor.</p> <p><i>[Ej Tillämpligt/Kombination av Strukturer är tillämpligt och de relevanta Värdeutvecklingsstrukturerna finns angivna ovan. Kombinationsmetoden är Sammanslagning/Subtraktion/Alternativ Uträkning]</i></p> <p><i>"Högsta Återbetalningsbelopp":</i> om ett högsta Återbetalningsbelopp är tillämpligt kommer Återbetalningsbeloppet vara det lägre av (i) det beräknade beloppet i enlighet med en av värdeutvecklingsstrukturerna angivna ovan, och (ii) ett förutbestämt högsta återbetalningsbelopp såsom specificerat i relevanta Slutliga Villkor.</p> <p><i>Ej Tillämpligt/Högsta Återbetalningsbeloppet är []</i></p> <p><i>"Lägsta Återbetalningsbelopp":</i> om ett lägsta Återbetalningsbelopp är tillämpligt kommer Återbetalningsbeloppet vara det högre av (i) det beräknade beloppet i enlighet med en av värdeutvecklingsstrukturerna angivna ovan och (ii) ett förutbestämt lägsta återbetalningsbelopp såsom specificerat i relevanta Slutliga Villkor.</p> <p><i>Ej Tillämpligt/Lägsta Återbetalningsbeloppet är []</i></p> <p><i>"Inflationsskyddat Kapitalbelopp":</i> om detta är tillämpligt kommer Återbetalningsbeloppet som fastställts i enlighet med de angivna värdeutvecklingsstrukturerna och/eller Tilläggsbeloppet/Tilläggsbeloppen ovan att multipliceras med utvecklingen i ett angivet inflationsmått, såsom konsumentprisindex, under Lånens löptid.</p>
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²⁴ Genom Tilläggsprospektet daterat den 24 april 2015 har lydelsen ändrats från "andel som motsvarar" till "procentsats som återger".

		<p><i>Inflationsskyddat Kapitalbelopp är [Tillämpligt/ej Tillämpligt]</i></p> <p><i>TOM Ackumulerande Strategi:</i> TOM Ackumulerande Strategi speglar att en investering görs i särskilda Referenstillgångar ("Risktillgångar") men enbart för en begränsad period varje månad. Vid övriga tidpunkter speglar Lånen ett bundet sparande eller annan investering med fast avkastning. I Slutliga Villkoren anges vilka dagar i vilken månad som helst där dagar behandlas såsom en investering i en bestämd inkomst-investering ("Övriga Tillgångar"), i syfte att beräkna Lånens totala betalbara Tilläggsbelopp.</p> <p>Endast Risktillgångarnas utveckling, eller de Övriga Tillgångarnas utveckling sammanräknat med Risktillgångarnas utveckling (som tillämpligt) kan också beräknas som ett genomsnitt av ett förutbestämt antal kalendermånader som föregår Lånens Återbetalningsdag, i syfte att begränsa Lånens utsatthet för volatilitet i förhållande till Referenstillgångarnas utveckling vid slutet av Lånens löptid.</p> <p><i>TOM Ackumulerande Strategi är [Tillämplig/ej Tillämplig]</i></p> <p><i>"Lock-in Korggolv:</i> Om Lock-in Korggolv är tillämpligt i förhållande till Lånen, och om Korgavkastningen överstiger Barriärnivån på en Värderingsdag, ska Korgavkastningen ersättas med det högre av Korgavkastningen och en förutbestämd lägsta Korgavkastningsnivå för att bestämma Tilläggsbeloppet i enlighet med relevant värdeutvecklingsstruktur.</p> <p><i>Lock-in Korggolv är [Tillämplig/ej Tillämplig]</i></p>
C.11 C.21	Upptagande till handel på en reglerad marknad:	<p>Ansökningar har gjorts för att Lånen inom en period av tolv månader från detta datum ska bli godkända för notering på den officiella listan och för handel på den reglerade marknaden Irish Stock Market Exchange. Programmet tillåter även att Lån utfärdas på förutsättningen att de inte kommer bli godkända för notering, handel och/eller notering av någon behörig myndighet, aktiebörs och/eller marknadssystem eller godkännas för notering, handel och/eller notering på sådan annan eller ytterligare behörig myndighet, aktiebörs och/eller marknadssystem som kan avtalas om med den relevanta Emittenten.</p> <p><i>Lånen är icke-noterade Lån/Ansökan kommer göras för Lånen för att godkännas för notering på [] och för handel på [] med verkan från [].</i></p>
C.15 ²⁵	Lånens värde och värdet för det underliggande:	<p>Värdet på Lånen kommer att bestämmas genom hänvisning till värdet av de(n) underliggande Referenstillgång(-ar) och de(n) värdeutvecklingsstruktur(er) som tillämpas på Lånen. Uppgifter om de olika värdeutvecklingsstrukturerna och förhållandet mellan Lånens värde och värdet av det underliggande finns angivet i avsnitt C.10.</p> <p><i>Detaljer om de(n) tillämpliga värdeutvecklingsstrukturen(-erna) och avkastningen på Lånen finns angivet i avsnitt C.10.</i></p> <p>Lånens struktur kan innehålla en deltagandegrad eller annan hävstångs- eller gearingfaktor som används för att fastställa exponeringen mot respektive Referenstillgång(ar), dvs. proportionen av ändring i värdet som tillfaller investeraren i varje individuellt Lån. (Exponeringen mot relevant(a) Referenstillgång(ar) kan dessutom påverkas vid tillämpning av Eftersträvad Volatilitetsstrategi som beskrivs i avsnitt C.10 ovan). Deltagandegraden bestäms av den relevanta Emittenten och fastställs genom, bland annat, löptiden, volatiliteten, marknadsrörelsen och den förväntade Referenstillgångsavkastningen.</p>

²⁵ Avsnitt c.15 till och med 20 bör avlägsnas när det gäller utgivande av enkelt lån.

		<i>Den [indikativa] Deltagandegraden är: []</i>
C.16	Inlösen- eller förfallodag:	Med förbehåll för en förtida återbetalning, kommer inlösendagen (eller den slutliga Återbetalningsdagen) vara Lånens förfallodag. <i>Lånens återbetalningsdag är: []</i>
C.17	Avräkningsförfarande:	Dagen eller dagarna då värdeutvecklingen i en Referenstillgång mäts eller observeras (" Värderingsdag(ar) " eller " Observationsdag(ar) ") kommer anges i de relevanta Slutliga Villkoren, och kan bestå av flera datum (" Medelvärdesberäkningsdagar ") på vilka genomsnittet av värdeutvecklingen beräknas och ligger till grund för avkastningen på Lånen. <i>[Värderingsdagen(-arna) [och de relaterade Medelvärdesberäkningsdagarna] är: []]</i> <i>[Observationsdagen(-arna) [och de relaterade Medelvärdesberäkningsdagarna] är:[]]</i> Avräkning av Lån som representeras av ett Globalt Lån ska ske på den relevanta återbetalningsdagen och kommer att genomföras genom att den relevanta Emittenten betalar Återbetalningsbeloppet (eller Förtida Återbetalningsbelopp, om tillämpligt) till de relevanta Betalningsagenterna för vidare överföring till Euroclear och Clearstream, Luxemburg. Investerare kommer motta sina återbetalningssummor till sina konton i Euroclear och Clearstream, Luxemburg, i enlighet med sedvanliga avräkningsförfaranden hos Euroclear och Clearstream, Luxemburg. Med hänsyn till Lån av definitiv typ kommer betalning av Återbetalningsbeloppet (eller Förtida Återbetalningsbelopp, om tillämpligt) göras mot presentation och överlämnande det individuella Lånet vid det angivna betalningsagent- eller registratorkontoret. Avräkning av VP-Lån ska ske i enlighet med VP-reglerna, avräkning av VPS-Lån ska ge i enlighet med VPS-reglerna, avräkning av Svenska Lån ska ske i enlighet med Euroclear Swedens regler och avräkning av Finska Lån ska ske i enlighet med Euroclear Finlands regler. <i>Avräkning av Lån ska ske: []</i>
C.18	Avkastning:	Avkastningen eller Återbetalningsbeloppet som ska betalas till Investeraarna kommer fastställas med referens till värdeutvecklingen för de underliggande Referenstillgångarna/-enheterna inom en specifik räntestruktur eller värdeutvecklingsstruktur som är tillämplig för Lånen. Detaljer om olika ränte- och värdeutvecklingsstrukturer finns angivna i avsnitt C.9 och C.10. <i>Detaljer kring de(n) tillämpliga ränte- och utvecklingsstrukturen(-erna) och avkastningen på Lånen finns angivna i avsnitt C.9 och C.10.</i>
C.19	Optionskurs eller Slutligt Referenspris:	Det slutliga referenspriset på de(n) relevanta Referenstillgången(-arna) kommer ha en inverkan på Återbetalningsbeloppet som ska betalas till Investerare. Det slutliga referenspriset kommer fastställas på de(n) tillämpliga Värderingsdagen(-arna) som anges i de relevanta Slutliga Villkoren. <i>Det slutliga referenspriset på Referenstillgångarna kommer att beräknas som [stängningskurs]/[genomsnittliga slutkurser] som publicerats av [•] på vardera av [•], [•] och [•].</i>

C.20	Typ av underliggande:	<p>Det underliggande kan utgöra en, eller en kombination, av följande: aktier, tillgångar, index, referensenheter, räntesatser, fonder, råvaror eller valutor.</p> <p><i>Typ av underliggande är: [].</i></p>
Avsnitt D - Risker		
D.2	Risker specifika för Emittenterna:	<p>Vid förvärv av Lån påtar sig investerarna risken att den relevanta Emittenten kan bli insolvent eller på annat sätt bli oförmögen att betala förfallna belopp hänförliga till Lånen. Det finns ett stort antal faktorer som var för sig eller tillsammans kan leda till att den relevanta Emittenten blir oförmögen att betala förfallna belopp hänförliga till Lånen. Det är inte möjligt att identifiera alla sådana faktorer eller fastställa vilka faktorer som är mest troliga att inträffa, eftersom den relevanta Emittenten kan vara ovetande om alla relevanta faktorer sant att vissa faktorer som denne för närvarande inte anser vara relevanta kan komma att bli relevanta till följd av händelser som inträffar och som befinner sig utanför den relevanta Emittentens kontroll. Emittenterna har i Grundprospektet identifierat ett antal faktorer som avsevärt skulle kunna inverka negativt på dess respektive verksamhet och förmåga att under Lånen betala förfallna belopp. Dessa faktorer innefattar:</p> <p><i>Risker med anknytning till aktuella makroekonomiska förhållanden</i></p> <p>Risker med anknytning till den europeiska ekonomiska krisen har haft och kan, trots den senaste periodens stabilisering, även i fortsättningen komma att ha, en negativ påverkan på den globala ekonomin och finansmarknaderna. Om förhållandena kvarstår, eller om turbulens uppstår på dessa eller andra marknader, kan det på ett betydande sätt negativt påverka Nordea-koncernens förmåga att få tillgång till kapital och likviditet på ekonomiska villkor som Nordea-koncernen kan acceptera.</p> <p>Vidare påverkas Nordea-koncernens resultat på ett betydande sätt av det allmänna ekonomiska läget i de länder där den bedriver verksamhet, i synnerhet på de nordiska marknaderna (Danmark, Finland, Norge och Sverige). En negativ utveckling för ekonomin och marknadsförhållanden där koncernen bedriver verksamhet, kan negativt påverka koncernens verksamhet, finansiella tillstånd och verksamhetsresultat och det åtgärder som Nordea-koncernen vidtar kan visa sig otillräckliga för att minska kredit-, marknads- och likviditetsrisker.</p> <p><i>Risker med anknytning till Nordea-koncernens kreditportfölj</i></p> <p>Negativa ändringar i kreditvärdigheten hos Nordea-koncernens låntagare och motparter, eller en minskning i värdet för säkerheter, kommer sannolikt påverka Nordea-koncernens återhämtningsmöjligheter och värdet av dess tillgångar, vilket kan kräva en ökning av företagets enskilda regler och eventuellt i de kollektiva reglerna för dåliga lån. En betydande ökning i storleken på Nordeas avsättningar för låneförluster och låneförluster som inte täcks av avsättningar, skulle på ett betydande sätt negativt påverka Nordea-koncernens verksamhet, finansiella läge och verksamhetsresultat.</p> <p>Nordea-koncernen är exponerad för motparters kreditrisker, förlikningsrisker och överlåtelsrisker i förhållande till transaktioner som genomförs inom sektorn för finansiella tjänster och denna sektors handel med finansiella instrument. Om motparterna inte klarar att fullgöra sina åtaganden kan detta på ett betydande sätt negativt påverka Nordea-koncernens verksamhet, ekonomiska läge och verksamhetsresultat.</p>

		<p><i>Risker med anknytning till marknadsexponering</i></p> <p>Värdet på finansiella instrument som ägs av Nordea-koncernen är känsliga för volatiliteten i, och korrelationer mellan, olika marknadsvariabler, bland annat räntor, kreditspridningar, aktiepriser och utländska valutakurser. Nedskrivningar eller avskrivningar som kostnadsförts kan på ett betydande sätt negativt påverka Nordea-koncernens verksamhet, ekonomiska läge och verksamhetsresultat, medan finansmarknadens resultat och volatila marknadsförhållanden kan resultera i en betydande minskning i Nordea-koncernens handels- och investeringsinkomster, eller leda till en handelsförlust.</p> <p><i>Nordea-koncernen är utsatt för strukturella marknadsrisker</i></p> <p>Nordea-koncernen är utsatt för strukturell ränteinkomstrisk när det råder ett missförhållande mellan perioder då räntesatser förändras, volymer eller referensräntor för sina tillgångar, skulder och derivat. Nordea-koncernen är även utsatt för valutakonverteringsrisk som uppstår genom företagets svenska och norska bankverksamheter när den sammanställer koncernens konsoliderade årsredovisning i sin funktionella valuta, euron. Om ett missförhållande råder under en viss period, vid ändringar i räntan, eller om valutariskexponeringen inte hedgas tillräckligt, kan det på ett betydande sätt få en negativ påverkan för Nordea-koncernens ekonomiska läge och verksamhetsresultat.</p> <p><i>Risker med anknytning till likviditets- och kapitalkrav</i></p> <p>En betydande andel av Nordea-koncernens likviditets- och finansieringskrav uppfylls genom insättningar från kunder, samt även en kontinuerlig tillgång till marknader för storskaliga lån, bland annat utfärdandet av långfristiga skuldebrev, t.ex. säkerställda obligationer. Turbulens på de globala finansmarknaderna och ekonomin kan negativt påverka Nordea-koncernens likviditet och villigheten hos vissa motparter och kunder att göra affärer med Nordea-koncernen.</p> <p>Nordea-koncernens verksamhetsresultat kan påverkas om de kapitaltäckningsnivåer som måste upprätthållas enligt tillämpligt regelverk, innefattandes europaparlamentets och rådets direktiv 2013/36/EU, europaparlamentets och rådets förordning nr. 575/2013 och de andra regler som reglerar kapitaltäckning, eller andra krav som är tillämpliga på någon Emittent eller Nordea-koncernen och som medför (ensamt eller tillsammans med andra regler och förordningar) krav för att finansiella instrument ska kunna inräknas i någon Emittents eller Nordea-koncernens regulatoriska kapital (var för sig eller på konsoliderad basis, som tillämpligt) i den utsträckning som krävs enligt direktiv 2013/36/EU, förordning nr. 575/2013, inklusive de tekniska standarder släppta av europeiska bankmyndigheten (EBA) (eller dess efterträdare eller ersättare) ("CRD IV"), minskar eller anses otillräckliga.</p> <p>Nordea-koncernens finansieringskostnader och företagets tillgång till skuldkapitalmarknader påverkas på ett betydande sätt av dess kreditbetyg. En sänkning av kreditbetyget kan negativt påverka Nordea-koncernens tillgång till likviditet och dess konkurrensläge, och därför på ett betydande sätt negativt påverka företagets verksamhet, ekonomiska tillstånd och verksamhetsresultat.</p>
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	<p><i>Andra risker med anknytning till Nordea-koncernens verksamhet</i></p> <p>För att Nordea-koncernens verksamhet ska fungera måste företaget kunna genomföra ett stort antal komplexa transaktioner på olika marknader i många valutor. Transaktioner genomförs genom många olika enheter. Trots att Nordea-koncernen har implementerat riskkontroller och vidtagit andra åtgärder för att minska exponeringen och/eller förlusterna, finns inga garantier för att sådana procedurer kommer att vara effektiva i att hantera de olika verksamhetsrisker som Nordea-koncernen står inför, eller att Nordea-koncernens rykte inte skadas genom förekomsten av operationell risk.</p> <p>Nordea-koncernens verksamheter i Ryssland och Baltikum – marknader som vanligen är mer volatila och mindre ekonomiskt och politiskt utvecklade än marknaderna i Västeuropa och Nordamerika – innebär olika risker som inte gäller, eller gäller i mindre grad, för företagens verksamheter i Norden. Vidare är vissa av dessa marknader vanligtvis mer volatila och mindre utvecklade rent ekonomiskt och politisk än marknader i Västeuropa och Nordamerika.</p> <p>Nordea-koncernens resultat bygger till stor del på dess anställdas höga kompetens och yrkesskicklighet. Nordea-koncernens fortsatta förmåga att konkurrera effektivt och implementera sin strategi är beroende av förmågan att dra till sig nya anställda och att behålla och motivera befintliga anställda. Nya regulatoriska begränsningar, såsom nyligen införda begränsningar på vissa typer av ersättningar som får betalas av kreditinstitut och värdepappersbolag som följer av CRD IV, kan negativt inverka på Nordea-koncernens förmåga att attrahera ny personal och att behålla och motivera nuvarande personal. Förluster av vissa nyckelpersoner, särskilt om de går över till konkurrenter, eller en oförmåga att dra till sig och behålla högkompetent personal i framtiden, kan få en negativ effekt på Nordea-koncernens verksamhet.</p> <p>Det råder konkurrens om de olika typer av banktjänster och produkter som Nordea-koncernen erbjuder. Det finns inga garantier för att Nordea-koncernen kommer att behålla sin konkurrensposition.</p> <p><i>Risker med anknytning till lagar och regulatoriska krav på området där Nordea-koncernen bedriver sin verksamhet</i></p> <p>Nordea Group måste följa ett stort antal regler och kontrolleras av olika myndigheter, såväl som lagar och bestämmelser, administrativa påbud och policyer i de olika jurisdiktioner som företaget verkar, vilka alla kan ändras. Detta kan vid var tid för förändring innebära betydande utgifter.</p> <p>Nordea-koncernen kan ådra sig betydande kostnader för kontroller och uppfyllandet av nya kapitalkrav, samt krav på återvinning och upplösning, vilket även kan påverka befintliga affärsmodeller. Vidare finns inga garantier om att brott mot lagar och bestämmelser av Nordea-koncernen inte sker eller att, om ett sådant brott sker, företaget inte får betala stora skadestånd eller böter.</p> <p>Under normal drift av verksamheten gäller för Nordea-koncernen att det förekommer risker med anknytning till myndigheters kontroller och skadestånd. Nordea-koncernen är föremål för många olika anspråk, tvister, processer och statliga utredningar i jurisdiktioner där företaget är aktivt. Dessa slags anspråk och processer utsätter Nordea-koncernen för risker för monetära skadestånd, direkta eller indirekta förluster (bl.a. rättskostnader), direkt eller indirekt ekonomisk förlust, civilrättsliga och straffrättsliga sanktioner, förlust av licenser eller goodwill-skada, samt även risken för restriktioner för verksamhetens fortsatta drift.</p>
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		Nordea-koncernens verksamhet beskattas olika runt om i världen i enlighet med lokala lagar och praxis. Lagändringar eller beslut av skattemyndigheterna kan skada Nordea-koncernens nuvarande eller tidigare skatteläge.
D.3	Risker specifika för Lånen:	<p>Risker finns även i samband med emission av Lånen under Programmet och särskilda typer av Lån, vilka potentiella investerare nog ska beakta, så att de är införstådda i dessa risker innan ett investeringsbeslut fattas avseende Lånen, bland annat följande:</p> <ul style="list-style-type: none"> • <i>Produktens komplexitet</i> – avkastningsstrukturen för strukturerade Lån är ibland komplex och kan innehålla matematiska formler eller samband som, för en investerare, kan vara svåra att förstå och jämföra med andra investeringsalternativ. Noteras bör att relationen mellan avkastning och risk kan vara svår att utvärdera. • <i>Lån vars kapitalbelopp inte är garanterat</i> – Lån vars kapitalbelopp inte är garanterade får emitteras enligt Programmet. Om Lånens kapitalbelopp inte är garanterade, finns ingen garanti för att avkastningen som en investerare får på Lånen vid inlösen kommer att överstiga eller vara lika med kapitalbeloppet. • <i>Prissättning av strukturerade Lån</i> – Prissättningen av strukturerade Lån bestäms vanligen av Emittenten ifråga, och inte utifrån förhandlade villkor. Det kan därför uppstå en intressekonflikt mellan Emittenten ifråga och investerarna, i det att Emittenten ifråga kan påverka prissättningen och försöker generera en vinst eller undvika en förlust i relation till de underliggande referenstillgångarna. Emittenterna har ingen skyldighet att agera i Innehavarnas intresse. • <i>Referenstillgångarnas värdeutveckling</i> – Med strukturerade Lån är Innehavarnas rätt till avkastning och ibland återbetalningen av kapitalbeloppet, beroende av hur bra värdeutvecklingen är för en eller flera referenstillgångar och den gällande avkastningsstrukturen. Värdet på strukturerade tillgångar påverkas av värdet på referenstillgångarna vid vissa tidpunkter under värdepapprens löptid, hur starkt priserna hos referenstillgångarna varierar, förväntningarna angående den framtida volatiliteten, marknadsräntorna och förväntade utdelningar på referenstillgångarna. • <i>Valutafluktuationer</i>. Växelkurserna för utländska valutor kan påverkas av komplexa politiska och ekonomiska faktorer, inklusive relativa inflationstakter, betalningsbalansen mellan länder, storleken på regeringars budgetöverskott eller budgetunderskott och den monetära, skatte- och/eller handelspolitiska policy som följs av de relevanta valutornas regeringar. Valutafluktuationer kan påverka värdet eller nivån hos Referenstillgångarna på komplexa sätt. Om sådana valutafluktuationer får värdet eller nivån hos Referenstillgångarna att variera, så kan värdet eller nivån på Lånen falla. Om värdet eller nivån hos en eller flera Referenstillgång(ar) är utfärdad(e) i en valuta som är annan än valutan i vilken Lånen är utfärdade, så kan investerarna vara utsatta för en ökad risk som kommer från växelkurser för främmande valutor. Tidigare växelkurser för utländska valutor är inte nödvändigtvis indikationer beträffande framtida växelkurser för utländska valutor.

		<ul style="list-style-type: none"> • <i>Aktier som Referenstillgångar</i> – aktielänkade Lån är inte sponsrade eller främjade av Emittenten av aktierna. Emittenten av aktierna har därför inte någon skyldighet att beakta intresset för dem som investerat i Lånen varför åtgärder tagna av en sådan emittent av aktier skulle kunna negativt påverka Lånens marknadsvärde. Den som investerat i Lånen har inte rätt att få några utbetalningar eller andra utdelningar till vilka en direkt ägare av de underliggande aktierna annars skulle ha rätt. • <i>Index som Referenstillgångar</i> – Lån som baserar sig på index som Referenstillgångar kan få lägre betalning vid inlösen av sådana Lån än om han eller hon hade investerat direkt i de aktier/tillgångar som utgör indexet. Sponsorn av vilket som helst index kan lägga till, ta bort eller ersätta komponenter eller göra metodändringar som kan påverka nivån på sådant index och därmed den avkastning som skall betalas till investerare i Lånen. Nordea-koncernen kan också ta del i att skapa, strukturera och underhålla indexportföljer och indexstrategier (och kan även agera indexsponsor i förhållande därtill) (gemensamt "Egna Sammansatta Index"). Det kan därför uppstå intressekonflikter för Emittenterna i deras roll som Emittent av sådana Lån och i deras ställning i att upprätta, marknadsföra, främja eller administrera sådana index. • <i>Råvaror som Referenstillgångar</i> – att handla i råvaror är spekulativt och kan vara extremt volatilt eftersom råvarupriser påverkas av faktorer som är oförutsägbara, såsom ändringar i relationerna mellan tillgång och efterfrågan, vädermönster och regeringars politik. Råvarukontrakt kan även handlas direkt mellan marknadsaktörer "over-the-counter" på handelsplatser som är föremål för minimal eller ingen substantiell reglering. Detta ökar riskerna som sammanhänger med likviditets- och prishistorik för de relevanta kontrakten. Lån som är länkade till terminskontrakt för råvaror kan ge en annan avkastning än Lån som är länkade till den relevanta fysiska råvaran, eftersom priset på ett terminskontrakt för en råvara allmänt innefattar en premie eller en rabatt jämfört med dagspriset för den underliggande råvaran. • <i>Exponering mot en korg av Referenstillgångar</i> – där det underliggande är en eller flera korgar av Referenstillgångar, bär investerarna risken för värdeutvecklingen för var och en av delarna som korgen innehåller. Där det är en hög nivå av ömsesidigt beroende mellan de individuella delarna av korgens innehåll, så kan en ändring i värdeutvecklingen hos korgens delar överdriva värdeutvecklingen i Lånen. Dessutom kan en liten korg eller en olikartad viktad korg göra korgen sårbar för ändringar i värdet hos vilken som helst av de specifika korgkomponenterna. Varje beräkning eller värde som berör en korg med "bästa av" eller "sämsta av"-inslag kan producera resultat som skiljer sig mycket från dem som tar hänsyn till korgens värdeutveckling i dess helhet.
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		<ul style="list-style-type: none"> • <i>Kreditlänkade Lån</i> – en investering i kreditlänkade Lån för med sig en exponering mot kreditrisken hos en specifik Referenstillgång eller korg av Referensenheter utöver i förhållande till den relevanta Emittenten. En reduktion av kreditvärdigheten hos en Referensenhet kan ha en väsentlig negativ effekt på marknadsvärdet för de relevanta Lånen och betalningarna av kapitalbeloppet och upplupen ränta. När en Kredithändelse inträffar, så kan den relevanta Emittentens skyldighet att betala kapitalbeloppet ersättas av en skyldighet att betala andra belopp beräknade med referens till värdet hos Referensenheten. Eftersom inga av Referensenheterna bidrog till framställandet av Grundprospektet, så finns ingen garanti för att alla väsentliga händelser eller informationer som relaterar till finansiell värdeutveckling eller kreditvärdigheten hos Referensenheterna har offentliggjorts vid den tidpunkt då Lånen emitterades. • <i>Automatisk Förtida Återbetalning</i> – vissa typer av Lån kan automatiskt återbetalas före deras planerade förfalldatum om vissa villkor är uppfyllda. I en del fall kan detta resultera i en förlust av en del eller hela investerarens investering. • <i>Lån som är föremål för valfri återbetalning av Emittenten</i> – en valfri återbetalning kan sannolikt minska Lånens marknadsvärde. • <i>Lån emitterade med väsentlig rabatt eller premie</i> – marknadsvärdet av Lånen av denna typ tenderar att fluktuera mer i relation till allmänna ändringar i räntesatser än priser för konventionella räntebärande värdepapper. <p>Det finns också vissa risker rörande Lånen i allmänhet, såsom modifikationer och undantag, risken för kvarhållande i enlighet med Rådets Sparanddirektiv (2003/48/EG) och lagändringar.</p>
D.6	Riskvarning: ²⁶	En investering i relativt komplexa värdepapper, såsom Lånen, för med sig en högre risk än att investera i mindre komplexa värdepapper. Speciellt, i en del fall, kan investerare förlora värdet av hela sin investering eller delar därav, från fall till fall.
Sektion E - Erbjudande		
E.2b	Motiv till Erbjudandet och användning av intäkterna:	Om ej annat anges, kommer nettointäkterna från Lånen att användas för allmänna bank- och företagsändamål hos Emittenten och Nordea-koncernen. <i>[Nettointäkterna kommer att användas till: []]</i>
E.3	Villkor för Erbjudandet:	En Investerare som avser att förvärva eller förvärvar något Lån från en Auktoriserad Säljare kommer att göra detta, och erbjudanden och försäljning av Lån till en investerare gjorda av en Auktoriserad Säljare kommer att göras, i enlighet med villkor och andra arrangemang som föreligger mellan en sådan Auktoriserad Säljare och sådan investerare inklusive pris, allokering och arrangemang för betalning och leverans. <i>Ej tillämpligt; Lånen emitteras i värden på åtminstone €100,000 (eller motsvarande belopp i annan valuta)./Ett Erbjudande av Lånen till allmänheten kommer att givas i "Erbjudanden till Allmänheten-Jurisdiktioner" under Erbjudandeperioden [Sammanfatta detaljer för "Erbjudanden till Allmänheten" som är inkluderade i "Distribution – Erbjudanden till Allmänheten" och "Villkor för Lånen", punkterna i Del B av</i>

²⁶ Att avlägsnas i fall av utfärdande av enkelt lån.

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

APPENDIX 2

SELECTED FINANCIAL INFORMATION

The tables below show certain selected summarised financial information which, without material changes, is derived from NBAB's and NBF's audited consolidated financial statements for the year ended 31 December 2014, which are set out in the Annex to the supplement dated 24 April 2015 (in the case of NBF) and this Supplement (in the case of NBAB) and NBAB's and NBF's unaudited consolidated financial statements for the six month period ending 30 June 2015, which are set out in the Annex to this Supplement.

NBAB's and NBF's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") and interpretations of such standards by the International Financial Reporting Interpretations Committee, as endorsed by the EU Commission. In addition, certain complementary rules in the Swedish Act on Annual Reports in Credit Institutions and Securities Companies (1995:1559) and the recommendation RFR 1 "Supplementary Accounting Rules for Groups", and UFR statements issued by the Swedish Financial Reporting Board as well as the accounting regulations of the SFSA's (FFFS 2008:25, with amendments in FFFS 2009:11 and 2011:54), have also been applied in the preparation of NBAB's accounts.

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

A. NBAB

Income Statement

	Group			
	Year ended 31 December		Six month period ended 30 June	
	2014	2013	2015	2014
	<i>(EUR millions)</i>			
Interest income.....	9,995	10,604	4,417	5,077
Interest expense	-4,513	-5,079	-1,820	-2,347
Net interest income	5,482	5,525	2,597	2,730
Fee and commission income	3,799	3,574	2,041	1,872
Fee and commission expense	-957	-932	-501	-460
Net fee and commission income	2,842	2,642	1,540	1,412
Net result from items at fair value.....	1,425	1,539	1,045	767
Profit from companies accounted for under the equity method.....	18	79	18	12
Other operating income	457	106	42	43
Total operating income	10,241	9,891	5,242	4,964
Operating expenses				
General administrative expenses:				
Staff costs.....	-3,159	-2,978	-1,551	-1,668
Other expenses.....	-1,656	-1,835	-727	-858
Depreciation, amortisation and impairment charges of tangible and intangible assets	-585	-227	-95	-121
Total operating expenses	-5,400	-5,040	-2,373	-2,647
Profit before loan losses	4,841	4,851	2,869	2,317
Net loan losses	-534	-735	-225	-293
Operating profit	4,307	4,116	2,644	2,024
Income tax expense	-950	-1,009	-610	-482
Net profit for the year from continuing operations.....	3,371	3,107	2,034	1,542
Net profit for the year from discontinued operations, after tax....	-25	9	-	-25
Net profit for the year	3,332	3,116	2,034	1,517
Attributable to:				
Shareholders of Nordea Bank AB (publ)	3,332	3,116	2,034	1,517
Non-controlling interests	-	-	-	-
Total	3,332	3,116	2,034	1,517

Balance Sheet

	Group			
	31 December		30 June	
	2014	2013	2015	2014
	<i>(EUR millions)</i>			
Assets				
Cash and balances with central banks	31,067	33,529	45,532	25,191
Loans to central banks	6,958	11,769	8,485	11,639
Loans to credit institutions	12,217	10,743	13,517	14,977
Loans to the public	348,085	342,451	357,580	347,076
Interest-bearing securities	87,110	87,314	88,309	89,438
Financial instruments pledged as collateral	12,151	9,575	12,010	8,430
Shares	39,749	33,271	43,012	35,950
Derivatives	105,119	70,992	86,314	78,644
Fair value changes of the hedged items in portfolio hedge of interest rate risk	256	203	166	234
Investments in associated undertakings	487	630	496	489
Intangible assets	2,908	3,246	3,086	3,284
Property and equipment	509	431	559	511
Investment property	3,227	3,524	3,218	3,457
Deferred tax assets	130	62	61	74
Current tax assets	132	31	160	147
Retirement benefit assets	42	321	207	322
Other assets	17,581	11,064	18,240	14,516
Prepaid expenses and accrued income	1,614	2,383	1,700	2,211
Assets held for sale	-	8,895	-	136
Total assets	669,342	630,434	682,652	636,726
Liabilities				
Deposits by credit institutions	56,322	59,090	63,894	53,753
Deposits and borrowings from the public	197,254	200,743	210,829	201,646
Liabilities to policyholders	51,843	47,226	55,541	50,667
Debt securities in issue	194,274	185,602	196,467	185,506
Derivatives	97,340	65,924	83,904	70,436
Fair value changes of the hedged items in portfolio hedge of interest rate risk	3,418	1,734	2,578	2,818
Current tax liabilities	368	303	434	416
Other liabilities	26,973	24,737	27,980	30,936
Accrued expenses and prepaid income	1,943	3,677	1,851	3,361
Deferred tax liabilities	983	935	939	881
Provisions	305	177	285	329
Retirement benefit obligations	540	334	405	491
Subordinated liabilities	7,942	6,545	7,736	6,604
Liabilities held for sale	-	4,198	-	36
Total liabilities	639,505	601,225	652,843	607,880
Equity				
Non-controlling interests	2	2	1	
Share capital	4,050	4,050	4,050	4,050
Share premium reserve	1,080	1,080	1,080	1,080
Other reserves	-1,201	-159	-767	-367
Retained earnings	25,906	24,236	25,445	24,081
Total equity	29,837	29,209	29,809	28,846
Total liabilities and equity	669,342	630,434	682,652	636,726
Assets pledged as security for own liabilities	163,041	174,418	182,782	175,208
Other assets pledged	11,265	7,467	10,711	9,987
Contingent liabilities	22,017	20,870	22,835	21,749
Credit commitments	74,291	78,332	73,099	78,358
Other commitments	1,644	1,267	1,357	1,028

Cash Flow Statement

	Group			
	Year ended 31 December		Six month period ended 30 June	
	2014	2013	2015	2014
	<i>(EUR millions)</i>			
Operating activities				
Operating profit	4,307	4,116	2,644	2,024
Profit for the year from discontinued operations, after tax	-25	9	-	-25
Adjustment for items not included in cash flow	8,140	4,492	2,945	4,566
Income taxes paid	-966	-1,010	-537	-505
Cash flow from operating activities before changes in operating assets and liabilities	11,456	7,607	5,052	6,060
Cash flow from operating activities	-10,824	6,315	12,127	-9,638
Cash flow from investing activities	3,254	572	-503	2,303
Cash flow from financing activities	-1,040	-1,927	-3,051	-1,683
Cash flow for the year	-8,610	4,960	8,573	-9,018
Cash and cash equivalents at the beginning of year	45,670	42,808	39,683	45,670
Translation differences	2,623	-2,098	2,206	61
Cash and cash equivalents at the end of year	39,683	45,670	50,462	36,713
Change	-8,610	4,960	8,573	-9,018

B. NBF

Income statement

	Group			
	Year ended 31 December		Six-month period ended 30 June	
	2014	2013	2015	2014
	<i>(EUR millions)</i>			
Operating income				
Interest income.....	1,806	1,849	781	923
Interest expense	-617	-666	-254	-328
Net interest income	1,189	1,183	527	595
Fee and commission income	794	759	382	400
Fee and commission expense	-719	-872	-355	-360
Net fee and commission income	75	-113	27	40
Net result from items at fair value.....	970	1,114	786	556
Profit from companies accounted for under the equity method	3	8	2	1
Other operating income	41	32	47	27
Total operating income	2,278	2,224	1,389	1,219
Operating expenses.....				
General administrative expenses:				
Staff costs	-559	-553	-264	-296
Other expenses	-433	-466	-202	-221
Depreciation, amortisation and impairment charges of tangible and intangible assets	-92	-40	-14	-21
Total operating expenses	-1,084	-1,059	-480	-538
Profit before loan losses	1,194	1,165	909	681
Net loan losses	-60	-53	-55	-49
Operating profit	1,134	1,113	854	632
Income tax expense	-232	-285	-198	-126
Net profit for the year	902	828	656	506
Attributable to:.....				
Shareholders of Nordea Bank Finland Plc	902	828	656	506
Non-controlling interests	-	-	-	-
Total	902	828	656	506

Balance sheet

	Group			
	31 December		30 June	
	2014	2013	2015	2014
	<i>(EUR millions)</i>			
Assets				
Cash and balances with central banks	28,846	30,904	39,511	23,038
Loans to central banks	300	657	4,300	1,663
Loans to credit institutions	35,051	35,110	44,956	44,117
Loans to the public	113,748	113,779	116,430	110,951
Interest-bearing securities	34,643	34,246	34,300	36,817
Financial instruments pledged as collateral	11,058	9,739	9,372	9,532
Shares	1,918	680	2,088	895
Derivatives	105,254	70,234	85,894	78,467
Fair value changes of the hedged items in portfolio hedge of interest rate risk	76	58	58	77
Investments in group undertakings	-	-	-	-
Investments in associated undertakings	39	59	39	37
Intangible assets	47	100	47	95
Property and equipment	84	94	76	91
Investment property	2	113	1	2
Deferred tax assets	43	5	11	35
Current tax assets	0	1	1	0
Retirement benefit assets	25	133	86	133
Other assets	14,624	8,277	18,015	10,996
Prepaid expenses and accrued income	440	572	437	577
Total assets	346,198	304,761	355,622	317,523
Liabilities				
Deposits by credit institutions	87,368	79,426	113,979	87,323
Deposits and borrowings from the public	76,879	80,909	81,868	76,936
Debt securities in issue	48,472	47,130	37,256	44,782
Derivatives	102,876	67,109	88,120	73,287
Fair value changes of the hedged items in portfolio hedge of interest rate risk	773	369	490	672
Current tax liabilities	41	8	64	10
Other liabilities	18,577	18,855	22,549	23,771
Accrued expenses and prepaid income	804	866	631	850
Deferred tax liabilities	57	53	58	53
Provisions	85	72	74	101
Retirement benefit obligations	28	21	27	76
Subordinated liabilities	620	429	624	447
Total liabilities	336,580	295,247	345,740	308,308
Equity				
Non-controlling interests	-	1	-	1
Share capital	2,319	2,319	2,319	2,319
Share premium reserve	599	599	599	599
Other reserves	2,824	2,875	2,882	2,817
Retained earnings	3,876	3,720	4,082	3,479
Total equity	9,618	9,514	9,882	9,215
Total liabilities and equity	346,198	304,761	355,622	317,523
Assets pledged as security for own liabilities	43,426	35,061	42,134	36,368
Other assets pledged	5,017	4,393	5,772	6,721
Contingent liabilities	14,906	15,836	13,176	14,470
Credit commitments	16,021	15,882	13,679	16,269
Other commitments	769	721	437	395

Cash flow statement

	Group			
	Year ended 31 December		Six-month period ended 30 June	
	2014	2013	2015	2014
	<i>(EUR millions)</i>			
Operating Activities.....				
Operating profit	1,073	1,079	854	619
Adjustments for items not included in cash flow.....	891	658	1,270	722
Income taxes paid	-218	-282	-158	-137
Cash flow from operating activities before changes in operating assets and liabilities.....	1,807	1,489	1,966	1,217
Changes in operating assets and liabilities.....	-13,327	4,197	12,308	-12,074
Cash flow from operating activities	-11,520	5,686	14,274	-10,857
Investing activities.....				
Sale/acquisition of business operations.....	9	1	0	33
Property and equipment.....	-47	-46	-13	-40
Intangible assets.....	-20	-11	-6	-7
Net investments in debt securities, held to maturity	2,183	114	0	1,620
Other financial fixed assets	2	-	1	-3
Cash flow from investing activities.....	2,149	85	-18	1,603
Financing activities.....				
Issued/amortised subordinated liabilities	191	-27	4	18
Dividend paid.....	-750	-627	-450	-750
Other changes	-34	39	140	-35
Cash flow from financing activities	-593	-615	-306	-767
Cash flow for the period	-9,964	5,156	13,950	-10,021
Cash and cash equivalents at beginning of the period	36,324	32,859	29,714	36,324
Translation difference.....	-3,354	1,691	-1,910	-312
Cash and cash equivalents at end of the period.....	29,714	36,324	45,574	26,615
Change	-9,964	5,156	13,950	-10,021

UTVALD FINANSIELL INFORMATION

Den beskrivning av utvald finansiell information som återfinns nedan är en inofficiell översättning av den engelska texten som återfinns omedelbart före detta avsnitt och investerare rekommenderas att även läsa och ta till sig de engelska beskrivningarna då dessa kan avvika från den svenska översättningen.

Nedanstående tabeller visar viss, utvald, finansiell information i sammandrag som, utan väsentliga ändringar, hämtats från NBAB och NBF:s reviderade redovisningar för det år som slutar den 31 december 2014, som återfinns i Annexet till tillägget daterat 24 april 2015 (avseende NBF) och detta tillägg (avseende NBAB) och NBAB:s och NBF:s oreviderade konsoliderade redovisningar för de sex månader som slutar 30 juni 2015, som återfinns som Appendix till detta Grundprospekt.

NBAB och NBF:s redovisning upprättas i enlighet med International Financial Reporting Standards (IFRS), med tillhörande tolkningar från International Financial Reporting Interpretations Committee (IFRIC), godkända av EU-kommissionen. Vidare har vissa kompletterande regler i enlighet med lag (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag (ÅRKL), rekommendation "RFR 1" Kompletterande redovisningsregler för koncerner", uttalanden från Rådet för finansiell rapportering (UFR) och Finansinspektionens föreskrifter (FFFS 2008:25 med ändringar i FFFS 2009:11 och 2011:54) tillämpats vid upprättandet av NBAB:s rapporter.

Nedanstående tabeller skall läsas tillsammans med revisionsberättelsen och noterna till denna.

NBAB

Resultaträkning

	Koncernen			
	År som slutade 31 december		Sex månader som slutade 30 juni	
	2014	2013	2015	2014
	<i>(EUR miljoner)</i>			
Ränteintäkter.....	9 995	10 604	4 417	5 077
Räntekostnader	-4 513	-5 079	-1 820	-2 347
Räntenetto	5 482	5 525	2 597	2 730
Avgifts- och provisionsintäkter	3 799	3 574	2 041	1 872
Avgifts- och provisionskostnader.....	-957	-932	-501	-460
Avgifts- och provisionsnetto	2 842	2 642	1 540	1 412
Nettoresultat av poster till verkligt värde	1 425	1 539	1 045	767
Andelar i intresseföretags resultat	18	79	18	12
Övriga rörelseintäkter	457	106	42	43
Summa rörelseintäkter.....	10 241	9 891	5 242	4 964
Rörelsekostnader				
Allmänna administrationskostnader:				
Personalkostnader	-3 159	-2 978	-1 551	-1 668
Övriga administrationskostnader	-1 656	-1 835	-727	-858
Av- och nedskrivningar av materiella och immateriella tillgångar	-585	-227	-95	-121
Summa rörelsekostnader	-5 400	-5 040	-2 373	-2 647
Resultat före kreditförluster.....	4 841	4 851	2 869	2 317
Kreditförluster, netto	-534	-735	-225	-293
Rörelseresultat	4 307	4 116	2 644	2 024
Skatt	-950	-1 009	-610	-482
Nettoresultat för perioden från kvarvarande verksamhet.....	3 371	3 107	2 034	1 542
Nettoresultat för perioden från avvecklad verksamhet, efter skatt....	-25	9	-	-25
Resultat för perioden	3 332	3 116	2 034	1 517
Hänförligt till:				
Aktieägare i Nordea Bank AB (publ).....	3 332	3 116	2 034	1 517
Minoritetsintressen	-	-	-	-
Summa	3 332	3 116	2 034	1 517

Balansräkning

	Koncernen			
	31 december		30 juni	
	2014	2013	2015	2014
	<i>(EUR miljoner)</i>			
Tillgångar				
Kassa och tillgodohavanden hos centralbanker	31 067	33 529	45 532	25 191
Utlåning till centralbanker	6 958	11 769	8 485	11 639
Utlåning till kreditinstitut	12 217	10 743	13 517	14 977
Utlåning till allmänheten	348 085	342 451	357 580	347 076
Räntebärande värdepapper	87 110	87 314	88 309	89 438
Pantsatta finansiella instrument	12 151	9 575	12 010	8 430
Aktier och andelar	39 749	33 271	43 012	35 950
Derivatinstrument	105 119	70 992	86 314	78 644
Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer	256	203	166	234
Aktier och andelar i intresseföretag	487	630	496	489
Immateriella tillgångar	2 908	3 246	3 086	3 284
Materiella tillgångar	509	431	559	511
Förvaltningsfastigheter	3 227	3 524	3 218	3 457
Uppskjutna skattefordringar	130	62	61	74
Skattefordringar	132	31	160	147
Pensionstillgångar	42	321	207	322
Övriga tillgångar	17 581	11 064	18 240	14 516
Förutbetalda kostnader och upplupna intäkter	1 614	2 383	1 700	2 211
Tillgångar för försäljning	-	8 895	-	136
Summa tillgångar	669 342	630 434	682 652	636 726
Skulder				
Skulder till kreditinstitut	56 322	59 090	63 894	53 753
In- och upplåning från allmänheten	197 254	200 743	210 829	201 646
Skulder till försäkringstagare	51 843	47 226	55 541	50 667
Emitterade värdepapper	194 274	185 602	196 467	185 506
Derivatinstrument	97 340	65 924	83 904	70 436
Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer	3 418	1 734	2 578	2 818
Skatteskulder	368	303	434	416
Övriga skulder	26 973	24 737	27 980	30 936
Upplupna kostnader och förutbetalda intäkter	1 943	3 677	1 851	3 361
Uppskjutna skatteskulder	983	935	939	881
Avsättningar	305	177	285	329
Pensionsförpliktelser	540	334	405	491
Efterställda skulder	7 942	6 545	7 736	6 604
Skulder för försäljning	-	4 198	-	36
Summa skulder	639 505	601 225	652 843	607 880
Eget kapital				
Minoritetsintressen	2	2	1	
Aktiekapital	4 050	4 050	4 050	4 050
Överkursfond	1 080	1 080	1 080	1 080
Övriga reserver	-1 201	-159	-767	-367
Balanserade vinstmedel	25 906	24 236	25 445	24 081
Summa eget kapital	29 837	29 209	29 809	28 846
Summa skulder och eget kapital	669 342	630 434	682 652	636 726
För egna skulder ställda säkerheter	163 041	174 418	182 782	175 208
Övriga ställda säkerheter	11 265	7 467	10 711	9 987
Ansvarsförbindelser	22 017	20 870	22 835	21 749
Kreditåtaganden	74 291	78 332	73 099	78 358
Övriga åtaganden	1 644	1 267	1 357	1 028

Kassaflödesanalys

	Koncernen			
	År som slutade 31 december		Sex månader som slutade 30 september	
	2014	2013	2015	2014
	<i>(EUR miljoner)</i>			
Den löpande verksamheten				
Rörelseresultat	4 307	4 116	2 644	2 024
Resultat från perioden från avvecklad verksamhet, efter skatt	-25	9	-	-25
Justering för poster som inte ingår i kassaflödet	8 140	4 492	2 945	4 566
Betalda inkomstskatter	-966	-1 010	-537	-505
Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder	11 456	7 607	5 052	6 060
Kassaflöde från den löpande verksamheten	-10 824	6 315	12 127	-9 638
Kassaflöde från investeringsverksamheten	3 254	572	-503	2 303
Kassaflöde från finansieringsverksamheten	-1 040	-1 927	-3 051	-1 683
Periodens kassaflöde	-8 610	4 960	8 573	-9 018
Likvida medel vid periodens början	45 670	42 808	39 683	45 670
Omräkningsdifferens	2 623	-2 098	2 206	61
Likvida medel vid periodens slut	39 683	45 670	50 462	36 713
Förändring	-8 610	4 960	8 573	-9 018

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Resultaträkning, Koncernen

	Koncernen			
	År som slutade 31 december		Sex månader som slutade 30 juni	
	2014	2013	2015	2014
	<i>(EUR miljoner)</i>			
Rörelseintäkter				
Ränteintäkter.....	1 806	1 849	781	923
Räntekostnader	-617	-666	-254	-328
Räntenetto	1 189	1 183	527	595
Avgifts- och provisionsintäkter	794	759	382	400
Avgifts- och provisionskostnader.....	-719	-872	-355	-360
Avgifts- och provisionsnetto	75	-113	27	40
Nettoresultat av poster till verkligt värde.....	970	1 114	786	556
Andelar i intresseföretags resultat	3	8	2	1
Övriga rörelseintäkter	41	32	47	27
Summa rörelseintäkter	2 278	2 224	1 389	1 219
Rörelsekostnader				
Allmänna administrationskostnader:				
Personalkostnader	-559	-553	-264	-296
Övriga administrationskostnader.....	-433	-466	-202	-221
Av- och nedskrivningar av materiella och immateriella tillgångar.....	-92	-40	-14	-21
Summa rörelsekostnader	-1 084	-1 059	-480	-538
Resultat före kreditförluster				
Kreditförluster, netto	1 194	1 165	909	681
Nedskrivningar av värdepapper.....	-60	-53	-55	-49
Rörelseresultat	1 134	1 113	854	632
Skatt	-232	-285	-198	-126
Resultat för perioden	902	828	656	506
Hänförligt till:				
Aktieägare i Nordea Bank AB (publ).....	902	828	656	506
Minoritetsintressen	-	-	-	-
Summa	902	828	656	506

Balansräkning, Koncernen

	Koncernen			
	År som slutade 31 december	Sex månader som slutade 30 juni		
	2014	2013	2015	2014
	<i>(EUR miljoner)</i>			
Tillgångar				
Kassa och tillgodohavanden hos centralbanker	28 846	30 904	39 511	23 038
Utlåning till centralbanker	300	657	4 300	1 663
Utlåning till kreditinstitut	35 051	35 110	44 956	44 117
Utlåning till allmänheten	113 748	113 779	116 430	110 951
Räntebärande värdepapper	34 643	34 246	34 300	36 817
Pantsatta finansiella instrument	11 058	9 739	9 372	9 532
Aktier och andelar	1 918	680	2 088	895
Derivatinstrument	105 254	70 234	85 894	78 467
Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer	76	58	58	77
Aktier och andelar i koncernföretag	-	-	-	-
Aktier och andelar i intresseföretag	39	59	39	37
Immateriella tillgångar	47	100	47	95
Materiella tillgångar	84	94	76	91
Förvaltningsfastigheter	2	113	1	2
Uppskjutna skattefordringar	43	5	11	35
Skattefordringar	0	1	1	0
Pensionstillgångar	25	133	86	133
Övriga tillgångar	14 624	8 277	18 015	10 996
Förutbetalda kostnader och upplupna intäkter	440	572	437	577
Summa tillgångar	346 198	304 761	355 622	317 523
Skulder				
Skulder till kreditinstitut	87 368	79 426	113 979	87 323
In- och upplåning från allmänheten	76 879	80 909	81 868	76 936
Emitterade värdepapper	48 472	47 130	37 256	44 782
Derivatinstrument	102 876	67 109	88 120	73 287
Förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer	773	369	490	672
Skatteskulder	41	8	64	10
Övriga skulder	18 577	18 855	22 549	23 771
Upplupna kostnader och förutbetalda intäkter	804	866	631	850
Uppskjutna skatteskulder	57	53	58	53
Avsättningar	85	72	74	101
Pensionsförpliktelser	28	21	27	76
Efterställda skulder	620	429	624	447
Summa skulder	336 580	295 247	345 740	308 308
Eget kapital				
Minoritetsintressen	-	1	-	1
Aktiekapital	2 319	2 319	2 319	2 319
Överkursfond	599	599	599	599
Övriga reserver	2 824	2 875	2 882	2 817
Balanserade vinstmedel	3 876	3 720	4 082	3 479
Summa eget kapital	9 618	9 514	9 882	9 215
Summa skulder och eget kapital	346 198	304 761	355 622	317 523
För egna skulder ställda säkerheter	43 426	35 061	42 134	36 368
Övriga ställda säkerheter	5 017	4 393	5 772	6 721
Ansvarsförbindelser	14 906	15 836	13 176	14 470
Kreditåtaganden	16 021	15 882	13 679	16 269
Övriga åtaganden	769	721	437	395

Kassaflödesanalys, Koncernen

	Koncernen			
	År som slutade 31 december		Sex månader som slutar 30 juni	
	2014	2013	2015	2014
	<i>(EUR miljoner)</i>			
Löpande verksamheten				
Rörelseresultat	1 073	1 079	854	619
Justering för poster som inte ingår i kassaflödet	891	658	1 270	722
Betalda inkomstskatter	-218	-282	-158	-137
Kassaflöde från den löpande verksamheten före förändring av den löpande verksamhetens tillgångar och skulder	1 807	1 489	1 966	1 217
Ändring i verksamhetens tillgångar och skulder	-13 327	4 197	12 308	-12 074
Kassaflöde från den löpande verksamheten	-11 520	5 686	14 274	-10 857
Investeringsverksamhet				
Förvärv och avyttring av verksamheter	9	1	0	33
Egendom och utrustning	-47	-46	-13	-40
Immateriella tillgångar	-20	-11	-6	-7
Nettoinvesteringar i värdepapper (innehav till förfallodag)	2 183	114	0	1 620
Andra finansiella anläggningstillgångar	2	-	1	-3
Kassaflöde från investeringsverksamheten	2 149	85	-18	1 603
Finansieringsaktiviteter				
Utgivna/amorterade efterställda skulder	191	-27	4	18
Genomförda utdelningar	-750	-627	-450	-750
Andra förändringar	-34	39	140	-35
Kassaflöde från finansieringsverksamheten	-593	-615	-306	-767
Periodens kassaflöde	-9 964	5 156	13 950	-10 021
Likvida medel vid periodens början	36 324	32 859	29 714	36 324
Omräkningsdifferens	-3 354	1 691	-1 910	-312
Likvida medel vid periodens slut	29 714	36 324	45 574	26 615
Förändring	-9 964	5 156	13 950	-10 021