

## 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 i to vii and the sections "*Subscription and Sale*" in the Base Prospectus.



## **NORDEA BANK AB (PUBL)**

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

**€50,000,000,000**

### **Euro Medium Term Note Programme**

This supplement no. 2 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 8 May 2015 and the base prospectus supplement dated 22 May 2015 (together, the "**Base Prospectus**" which also serves as a base listing particulars, the "**Base Listing Particulars**") prepared by Nordea Bank AB (publ) (the "**Issuer**") with respect to its €50,000,000,000 Euro Medium Term 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.

Application has been made to the Irish Stock Exchange for the approval of this Supplement as a Base Listing Particulars supplement (the "**Base Listing Particulars Supplement**"). Save where expressly provided or the context otherwise requires, in the case of Exempt Notes, any reference in this Supplement to "Supplement" shall be deemed to be a reference to "Base Listing Particulars Supplement" and any reference to "Base Prospectus" shall be deemed to be a reference to "Base Listing Particulars".

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

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

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

## **AMENDMENTS TO THE BASE PROSPECTUS**

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

### **SECOND QUARTER REPORT 2015**

On 16 July 2015, the Issuer published its second quarter report for the six months ending 30 June 2015 (the "**Second Quarter Report 2015**"). The 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 and the Issuer's unaudited income statement and balance sheet and the related notes of the Second Quarter Report 2015 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 the Issuer's baseline credit assessment and its long-term senior unsecured debt and deposit ratings and as such, the text "Aa3 (rating under review unchanged or down)" relating to the rating given by Moody's Investors Service Limited to the Issuer in the section entitled "Ratings" on page vii of the Base Prospectus is deleted and replaced with the text "Aa3".

### **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. The Issuer also 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, the Issuer 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**

The Issuer 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 the Issuer'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 the Issuer's shareholders at a general meeting.

### **GENERAL INFORMATION**

The third paragraph of the "General Information" section on page 164 of the Base Prospectus is deleted and replaced by the following:

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

### **UPDATE OF THE SUMMARY OF THE PROGRAMME**

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

### **SELECTED FINANCIAL INFORMATION**

The Selected Financial Information section on pages 130-132 of the Base Prospectus is replaced in its entirety with the updated Selected Financial Information in Appendix 2 to this Supplement.

## ANNEX

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## Income statement

EURm	Note	Q2 2015	Q2 2014	Jan-Jun 2015	Jan-Jun 2014	Full year 2014
<b>Operating income</b>						
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
<b>Total operating income</b>		<b>2,523</b>	<b>2,460</b>	<b>5,242</b>	<b>4,964</b>	<b>10,241</b>
<b>Operating expenses</b>						
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
<b>Total operating expenses</b>		<b>-1,185</b>	<b>-1,403</b>	<b>-2,373</b>	<b>-2,647</b>	<b>-5,400</b>
<b>Profit before loan losses</b>		<b>1,338</b>	<b>1,057</b>	<b>2,869</b>	<b>2,317</b>	<b>4,841</b>
Net loan losses	6	-103	-135	-225	-293	-534
<b>Operating profit</b>		<b>1,235</b>	<b>922</b>	<b>2,644</b>	<b>2,024</b>	<b>4,307</b>
Income tax expense		-283	-216	-610	-482	-950
<b>Net profit for the period from continuing operations</b>		<b>952</b>	<b>706</b>	<b>2,034</b>	<b>1,542</b>	<b>3,357</b>
Net profit for the period from discontinued operations, after tax	12	-	-20	-	-25	-25
<b>Net profit for the period</b>		<b>952</b>	<b>686</b>	<b>2,034</b>	<b>1,517</b>	<b>3,332</b>
<b>Attributable to:</b>						
Shareholders of Nordea Bank AB (publ)		952	686	2,034	1,517	3,332
Non-controlling interests		-	-	-	-	-
<b>Total</b>		<b>952</b>	<b>686</b>	<b>2,034</b>	<b>1,517</b>	<b>3,332</b>
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
<b>Net profit for the period</b>	<b>952</b>	<b>686</b>	<b>2,034</b>	<b>1,517</b>	<b>3,332</b>
<b>Items that may be reclassified subsequently to the income statement</b>					
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: <sup>1</sup>					
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
<b>Items that may not be reclassified subsequently to the income statement</b>					
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
<b>Other comprehensive income, net of tax<sup>2</sup></b>	<b>336</b>	<b>-104</b>	<b>434</b>	<b>-208</b>	<b>-1,042</b>
<b>Total comprehensive income</b>	<b>1,288</b>	<b>582</b>	<b>2,468</b>	<b>1,309</b>	<b>2,290</b>
<b>Attributable to:</b>					
Shareholders of Nordea Bank AB (publ)	1,288	582	2,468	1,309	2,290
Non-controlling interests	-	-	-	-	-
<b>Total</b>	<b>1,288</b>	<b>582</b>	<b>2,468</b>	<b>1,309</b>	<b>2,290</b>

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

<sup>2</sup> 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
<b>Assets</b>				
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
<b>Total assets</b>		<b>682,652</b>	<b>669,342</b>	<b>636,726</b>
<i>Of which assets customer bearing the risk</i>		<i>32,379</i>	<i>29,125</i>	<i>27,322</i>
<b>Liabilities</b>				
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
<b>Total liabilities</b>		<b>652,843</b>	<b>639,505</b>	<b>607,880</b>
<b>Equity</b>				
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
<b>Total equity</b>		<b>29,809</b>	<b>29,837</b>	<b>28,846</b>
<b>Total liabilities and equity</b>		<b>682,652</b>	<b>669,342</b>	<b>636,726</b>
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 <sup>1</sup>		73,099	74,291	78,358
Other commitments		1,357	1,644	1,028

<sup>1</sup> 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)										
EURm	Share capital <sup>1</sup>	Share premium reserve	Other reserves:				Retained earnings	Total	Non-controlling interests	Total equity
			Transla- tion of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans				
<b>Balance at 1 Jan 2015</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,313</b>	<b>6</b>	<b>113</b>	<b>-7</b>	<b>25,906</b>	<b>29,835</b>	<b>2</b>	<b>29,837</b>
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 <sup>2</sup>	-	-	-	-	-	-	2	2	-	2
Dividend for 2014	-	-	-	-	-	-	-2,501	-2,501	-	-2,501
Disposal of own shares <sup>3</sup>	-	-	-	-	-	-	4	4	-	4
Other changes	-	-	-	-	-	-	-	-	-1	-1
<b>Balance at 30 Jun 2015</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,086</b>	<b>56</b>	<b>60</b>	<b>203</b>	<b>25,445</b>	<b>29,808</b>	<b>1</b>	<b>29,809</b>

Attributable to shareholders of Nordea Bank AB (publ)										
EURm	Share capital <sup>1</sup>	Share premium reserve	Other reserves:				Retained earnings	Total	Non-controlling interests	Total equity
			Transla- tion of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans				
<b>Balance at 1 Jan 2014</b>	<b>4,050</b>	<b>1,080</b>	<b>-613</b>	<b>-18</b>	<b>81</b>	<b>391</b>	<b>24,236</b>	<b>29,207</b>	<b>2</b>	<b>29,209</b>
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 <sup>2</sup>	-	-	-	-	-	-	16	16	-	16
Dividend for 2013	-	-	-	-	-	-	-1,734	-1,734	-	-1,734
Disposal of own shares <sup>3</sup>	-	-	-	-	-	-	56	56	-	56
<b>Balance at 31 Dec 2014</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,313</b>	<b>6</b>	<b>113</b>	<b>-7</b>	<b>25,906</b>	<b>29,835</b>	<b>2</b>	<b>29,837</b>

Attributable to shareholders of Nordea Bank AB (publ)										
EURm	Share capital <sup>1</sup>	Share premium reserve	Other reserves:				Retained earnings	Total	Non-controlling interests	Total equity
			Transla- tion of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans				
<b>Balance at 1 Jan 2014</b>	<b>4,050</b>	<b>1,080</b>	<b>-613</b>	<b>-18</b>	<b>81</b>	<b>391</b>	<b>24,236</b>	<b>29,207</b>	<b>2</b>	<b>29,209</b>
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 <sup>2</sup>	-	-	-	-	-	-	11	11	-	11
Dividend for 2013	-	-	-	-	-	-	-1,734	-1,734	-	-1,734
Disposal of own shares <sup>3</sup>	-	-	-	-	-	-	51	51	-	51
<b>Balance at 30 Jun 2014</b>	<b>4,050</b>	<b>1,080</b>	<b>-677</b>	<b>-56</b>	<b>98</b>	<b>268</b>	<b>24,081</b>	<b>28,844</b>	<b>2</b>	<b>28,846</b>

<sup>1</sup> Total shares registered were 4,050 million (31 Dec 2014: 4,050 million, 30 Jun 2014: 4,050 million).

<sup>2</sup> 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).

<sup>3</sup> 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
<b>Cash flow for the period</b>	<b>8,573</b>	<b>-9,018</b>	<b>-8,610</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>39,683</b>	<b>45,670</b>	<b>45,670</b>
Translation difference	2,206	61	2,623
<b>Cash and cash equivalents at end of the period</b>	<b>50,462</b>	<b>36,713</b>	<b>39,683</b>
<b>Change</b>	<b>8,573</b>	<b>-9,018</b>	<b>-8,610</b>
<b>Cash and cash equivalents</b>	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	-
<b>Total cash and cash equivalents</b>	<b>50,462</b>	<b>36,713</b>	<b>39,683</b>

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

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

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



## 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 "Leases"

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
<b>EUR 1 = SEK</b>			
Income statement (average)	9.3416	9.1012	8.9594
Balance sheet (at end of period)	9.2150	9.3930	9.1762
<b>EUR 1 = DKK</b>			
Income statement (average)	7.4564	7.4548	7.4627
Balance sheet (at end of period)	7.4604	7.4453	7.4557
<b>EUR 1 = NOK</b>			
Income statement (average)	8.6461	8.3597	8.2796
Balance sheet (at end of period)	8.7910	9.0420	8.4035
<b>EUR 1 = RUB</b>			
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	
<b>Jan-Jun 2015</b>								
Total operating income, EURm	2,875	1,336	964	286	22	5,483	-241	<b>5,242</b>
- of which internal transactions <sup>1</sup> , EURm	-660	-161	7	770	44	0	-	-
Operating profit, EURm	1,306	822	561	143	17	2,849	-205	<b>2,644</b>
Loans to the public <sup>2</sup> , EURbn	224	58	10	-	-	292	66	<b>358</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	106	42	12	-	-	160	51	<b>211</b>

<b>Jan-Jun 2014</b>								
Total operating income, EURm	2,826	1,269	796	209	8	5,108	-144	<b>4,964</b>
- of which internal transactions <sup>1</sup> , EURm	-755	-124	9	848	22	0	-	-
Operating profit, EURm	1,107	803	403	66	3	2,382	-358	<b>2,024</b>
Loans to the public <sup>2</sup> , EURbn	218	55	8	-	-	281	66	<b>347</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	107	39	11	-	-	157	45	<b>202</b>

<sup>1</sup> 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.

<sup>2</sup> 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 <sup>1</sup>		Retail Banking Baltic countries <sup>2</sup>		Retail Banking Other <sup>3</sup>		Retail Banking Jan-Jun	
	2015	2014	2015	2014	2015	2014	2015	2014
Total operating income, EURm	2,834	2,803	93	85	-52	-62	<b>2,875</b>	<b>2,826</b>
- of which internal transactions, EURm	-583	-641	-15	-23	-62	-91	<b>-660</b>	<b>-755</b>
Operating profit, EURm	1,321	1,195	54	0	-69	-88	<b>1,306</b>	<b>1,107</b>
Loans to the public, EURbn	216	210	8	8	-	-	<b>224</b>	<b>218</b>
Deposits and borrowings from the public, EURbn	102	103	4	4	-	-	<b>106</b>	<b>107</b>

	Corporate & Institutional Banking		Shipping, Offshore & Oil Services		Nordea Bank Russia		Capital Markets unallocated		Wholesale Banking Other <sup>4</sup>		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	<b>1,336</b>	<b>1,269</b>
- of which internal transactions, EURm	-72	-79	-32	-33	-44	-16	30	52	-43	-48	<b>-161</b>	<b>-124</b>
Operating profit, EURm	487	492	160	185	71	73	162	115	-58	-62	<b>822</b>	<b>803</b>
Loans to the public, EURbn	39	39	12	11	7	5	-	-	-	-	<b>58</b>	<b>55</b>
Deposits and borrowings from the public, EURbn	36	34	5	4	1	1	-	-	-	-	<b>42</b>	<b>39</b>

	Private Banking		Asset Management		Life & Pension unallocated		Wealth Management Other <sup>5</sup>		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	<b>964</b>	<b>796</b>
- of which internal transactions, EURm	7	7	0	0	0	0	0	2	<b>7</b>	<b>9</b>
Operating profit, EURm	235	187	258	154	201	162	-133	-100	<b>561</b>	<b>403</b>
Loans to the public, EURbn	10	8	-	-	-	-	-	-	<b>10</b>	<b>8</b>
Deposits and borrowings from the public, EURbn	12	11	-	-	-	-	-	-	<b>12</b>	<b>11</b>

<sup>1</sup> Retail Banking Nordic includes banking operations in Denmark, Finland, Norway and Sweden.

<sup>2</sup> Retail Banking Baltic countries includes banking operations in Estonia, Latvia and Lithuania.

<sup>3</sup> Retail Banking Other includes the support areas Development & Projects, Distribution, Segments, Products and IT.

<sup>4</sup> Wholesale Banking Other includes the area International Units and the support areas Transaction Products, Segment CIB and IT.

<sup>5</sup> 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 <sup>1</sup>	-69	-74	-	-	-	-
Unallocated items <sup>2</sup>	54	-166	65	62	50	44
Differences in accounting policies <sup>3</sup>	-190	-118	1	4	1	1
<b>Total</b>	<b>2,644</b>	<b>2,024</b>	<b>358</b>	<b>347</b>	<b>211</b>	<b>202</b>

<sup>1</sup> Consists of Group Risk Management, Group Internal Audit, Group Identity & Communications, Group Human Resources and Group Executive Management.

<sup>2</sup> Including non-recurring items 2014 EUR -190m.

<sup>3</sup> 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
<b>Fee and commission income</b>	<b>1,039</b>	<b>1,002</b>	<b>941</b>	<b>2,041</b>	<b>1,872</b>	<b>3,799</b>
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
<b>Fee and commission expenses</b>	<b>-256</b>	<b>-245</b>	<b>-233</b>	<b>-501</b>	<b>-460</b>	<b>-957</b>
<b>Net fee and commission income</b>	<b>783</b>	<b>757</b>	<b>708</b>	<b>1,540</b>	<b>1,412</b>	<b>2,842</b>

**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 <sup>1</sup>	61	58	56	120	104	272
<b>Total</b>	<b>401</b>	<b>644</b>	<b>356</b>	<b>1,045</b>	<b>767</b>	<b>1,425</b>

<sup>1</sup> 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 <sup>1</sup>	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
<b>Total</b>	<b>61</b>	<b>58</b>	<b>56</b>	<b>120</b>	<b>104</b>	<b>272</b>

<sup>1</sup> 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
<b>Total</b>	<b>-363</b>	<b>-364</b>	<b>-428</b>	<b>-727</b>	<b>-858</b>	<b>-1,656</b>

**Note 6 Net loan losses**

	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
EURm	2015	2015	2014	2015	2014	2014
<b>Loan losses divided by class</b>						
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
<b>Loans to credit institutions</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>23</b>
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
<b>Loans to the public</b>	<b>-92</b>	<b>-100</b>	<b>-121</b>	<b>-192</b>	<b>-272</b>	<b>-543</b>
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
<b>Off-balance sheet items</b>	<b>-11</b>	<b>-23</b>	<b>-14</b>	<b>-34</b>	<b>-21</b>	<b>-14</b>
<b>Net loan losses</b>	<b>-103</b>	<b>-122</b>	<b>-135</b>	<b>-225</b>	<b>-293</b>	<b>-534</b>

**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
<b>Loans before allowances</b>	<b>382,249</b>	<b>387,711</b>	<b>370,009</b>	<b>376,507</b>
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
<b>Allowances</b>	<b>-2,667</b>	<b>-2,754</b>	<b>-2,749</b>	<b>-2,815</b>
<b>Loans, carrying amount</b>	<b>379,582</b>	<b>384,957</b>	<b>367,260</b>	<b>373,692</b>

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
<b>Loans before allowances</b>	<b>22,004</b>	<b>27,239</b>	<b>19,177</b>	<b>26,643</b>	<b>360,245</b>	<b>360,472</b>	<b>350,832</b>	<b>349,864</b>
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
<b>Allowances</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-27</b>	<b>-2,665</b>	<b>-2,752</b>	<b>-2,747</b>	<b>-2,788</b>
<b>Loans, carrying amount</b>	<b>22,002</b>	<b>27,237</b>	<b>19,175</b>	<b>26,616</b>	<b>357,580</b>	<b>357,720</b>	<b>348,085</b>	<b>347,076</b>

**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
<b>Total allowances and provisions</b>	<b>-2,767</b>	<b>-2,844</b>	<b>-2,821</b>	<b>-2,896</b>

**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
<b>Financial assets</b>							
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
<b>Total 30 Jun 2015</b>	<b>316,348</b>	<b>2,911</b>	<b>203,275</b>	<b>117,576</b>	<b>3,124</b>	<b>29,993</b>	<b>673,227</b>
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
<b>Financial liabilities</b>					
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
<b>Total 30 Jun 2015</b>	<b>160,125</b>	<b>84,493</b>	<b>1,581</b>	<b>364,649</b>	<b>610,848</b>
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
<b>Financial assets</b>				
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
<b>Total</b>	<b>673,227</b>	<b>670,986</b>	<b>659,605</b>	<b>661,272</b>
<b>Financial liabilities</b>				
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
<b>Total</b>	<b>610,848</b>	<b>611,759</b>	<b>596,986</b>	<b>598,429</b>

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 (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
<b>Assets at fair value on the balance sheet<sup>1</sup></b>							
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 <sup>2</sup>	49,586	12,770	47,462	7,013	272	53	97,320
Shares <sup>3</sup>	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
<b>Total 30 Jun 2015</b>	<b>85,077</b>	<b>38,971</b>	<b>261,255</b>	<b>9,210</b>	<b>7,636</b>	<b>4,822</b>	<b>353,968</b>
Total 31 Dec 2014	87,550	35,544	263,991	8,658	7,203	4,539	358,744
<b>Liabilities at fair value on the balance sheet<sup>1</sup></b>							
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
<b>Total 30 Jun 2015</b>	<b>50,788</b>	<b>-</b>	<b>193,786</b>	<b>19,928</b>	<b>1,625</b>	<b>-</b>	<b>246,199</b>
Total 31 Dec 2014	47,377	-	192,617	18,338	1,626	-	241,620

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

<sup>2</sup> Of which EUR 11,985m relates to the balance sheet item Financial instruments pledged as collateral.

<sup>3</sup> 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	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
	1 Jan	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
<b>Total 2015, net</b>	<b>5,577</b>	<b>257</b>	<b>80</b>	<b>-</b>	<b>1,089</b>	<b>-1,185</b>	<b>-134</b>	<b>468</b>	<b>-129</b>	<b>-12</b>	<b>6,011</b>
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
<b>Closing balance at 30 Jun</b>	<b>40</b>	<b>36</b>

## Note 10, continued

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

EURm	Fair value	Of which Life <sup>1</sup>	Valuation techniques	Unobservable input	Range of fair value <sup>4</sup>
<b>Interest-bearing securities</b>					
Mortgage and other credit institutions <sup>2</sup>	227	8	Discounted cash flows	Credit spread	-7/7
Corporates	45	45	Discounted cash flows	Credit spread	-3/3
<b>Total 30 Jun 2015</b>	<b>272</b>	<b>53</b>			<b>-10/10</b>
Total 31 Dec 2014	279	53			-11/11
<b>Shares</b>					
Private equity funds	2,302	1,828	Net asset value <sup>3</sup>		-252/267
Hedge funds	416	151	Net asset value <sup>3</sup>		-22/34
Credit funds	585	456	Net asset value/market consensus <sup>3</sup>		-34/40
Other funds	2,229	2,217	Net asset value/Fund prices <sup>3</sup>		-243/244
Other	191	117	-		-16/16
<b>Total 30 Jun 2015</b>	<b>5,723</b>	<b>4,769</b>			<b>-567/601</b>
Total 31 Dec 2014	5,458	4,486			-542/575
<b>Derivatives, net</b>					
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
<b>Total 30 Jun 2015</b>	<b>16</b>	<b>-</b>			<b>-47/37</b>
Total 31 Dec 2014	-160	-			-41/30

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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 FFFS 2014:12

**Summary of items included in own funds**

EURm	30 Jun 2015	31 Dec <sup>3</sup> 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 <sup>1</sup>	-90	-33	-86
Other items, net	-506	-780	-603
Total regulatory adjustments to Common Equity Tier 1 capital	-3,604	-3,741	-3,925
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>23,377</b>	<b>22,821</b>	<b>22,633</b>
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
<b>Tier 1 capital (net after deduction)</b>	<b>26,267</b>	<b>25,588</b>	<b>24,189</b>
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
<b>Own funds (net after deduction)<sup>2</sup></b>	<b>30,399</b>	<b>30,049</b>	<b>28,328</b>

<sup>1</sup> Based on conditional FSA approval

<sup>2</sup> Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 30,649m by 30 Jun 2015

<sup>3</sup> 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
EURm						
<b>Credit risk</b>	<b>9,390</b>	<b>117,383</b>	<b>9,522</b>	<b>119,029</b>	<b>9,779</b>	<b>122,241</b>
- 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
<b>Credit Value Adjustment Risk</b>	<b>165</b>	<b>2,061</b>	<b>185</b>	<b>2,308</b>	<b>273</b>	<b>3,412</b>
<b>Market risk</b>	<b>695</b>	<b>8,691</b>	<b>584</b>	<b>7,296</b>	<b>777</b>	<b>9,708</b>
- 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
<b>Operational risk</b>	<b>1,363</b>	<b>17,031</b>	<b>1,347</b>	<b>16,842</b>	<b>1,347</b>	<b>16,842</b>
Standardised	1,363	17,031	1,347	16,842	1,347	16,842
<b>Additional risk exposure amount due to Article 3 CRR</b>	<b>368</b>	<b>4,600</b>	-	-	-	-
<b>Sub total</b>	<b>11,981</b>	<b>149,766</b>	<b>11,638</b>	<b>145,475</b>	<b>12,176</b>	<b>152,203</b>

## 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
<b>Total</b>	<b>18,009</b>	<b>225,116</b>	<b>17,633</b>	<b>220,413</b>	<b>17,371</b>	<b>217,135</b>

## Minimum Capital Requirement &amp; Capital Buffers

	Minimum Capital requirement	Capital Buffers				Capital Buffers total	Total
Percentage		CCoB	CCyB	SII	SRB		
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
<b>Percentage points of REA</b>			
Common Equity Tier 1 capital <sup>1</sup>	11.1	11.2	N/A

<sup>1</sup> 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 ratio<sup>1</sup>

	30 Jun 2015	31 Dec <sup>2</sup> 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

<sup>1</sup> 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.

<sup>2</sup> 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 <sup>1</sup>	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.

<sup>1</sup> Includes EAD for on-balance, off-balance, derivatives and securities financing.

## Note 11, continued

## Capital requirements for market risk

	Trading book, IM		Trading book, SA		Banking book, SA		Total	
EURm	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other <sup>1</sup>	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
<b>Total</b>	<b>4,902</b>	<b>392</b>	<b>1,340</b>	<b>107</b>	<b>2,449</b>	<b>196</b>	<b>8,691</b>	<b>695</b>

<sup>1</sup> 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
<b>Total operating income</b>	-	<b>-20</b>	-	<b>11</b>	<b>12</b>
Total operating expenses	-	-2	-	-30	-30
Net loan losses	-	2	-	-5	-6
<b>Operating profit</b>	-	<b>-20</b>	-	<b>-24</b>	<b>-24</b>
Income tax expense	-	0	-	-1	-1
<b>Net profit for the period from discontinued</b>	-	<b>-20</b>	-	<b>-25</b>	<b>-25</b>
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
<b>Net profit for the period from discontinued operations after measurement at fair value less cost to sell</b>	-	<b>-49</b>	-	<b>-54</b>	<b>-54</b>

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
<b>Assets</b>		
Investment in associated undertakings	-	95
Total other assets	-	41
<b>Total assets held for sale</b>	-	<b>136</b>
<b>Liabilities</b>		
Total other liabilities	-	36
<b>Total liabilities held for sale</b>	-	<b>36</b>

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 Ubezpieczeń na Życie 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
<b>Operating income</b>					
<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
<b>Total operating income</b>	<b>520</b>	<b>864</b>	<b>1,397</b>	<b>1,788</b>	<b>4,963</b>
<b>Operating expenses</b>					
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
<b>Total operating expenses</b>	<b>-518</b>	<b>-562</b>	<b>-1,035</b>	<b>-1,069</b>	<b>-2,235</b>
<b>Profit before loan losses</b>	<b>2</b>	<b>302</b>	<b>362</b>	<b>719</b>	<b>2,728</b>
Net loan losses	-26	-14	-27	-41	-98
Impairment of securities held as financial non-current assets	-	-	-	-	-15
<b>Operating profit</b>	<b>-24</b>	<b>288</b>	<b>335</b>	<b>678</b>	<b>2,615</b>
Appropriations	-	-	-	-	-1
Income tax expense <sup>1</sup>	-74	-2	-94	-12	-189
<b>Net profit for the period</b>	<b>-98</b>	<b>286</b>	<b>241</b>	<b>666</b>	<b>2,425</b>

<sup>1</sup> 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
<b>Assets</b>			
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
<b>Total assets</b>	<b>199,543</b>	<b>178,431</b>	<b>176,643</b>
<b>Liabilities</b>			
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
<b>Total liabilities</b>	<b>181,134</b>	<b>157,766</b>	<b>157,749</b>
<b>Untaxed reserves</b>	<b>4</b>	<b>4</b>	<b>3</b>
<b>Equity</b>			
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
<b>Total equity</b>	<b>18,405</b>	<b>20,661</b>	<b>18,891</b>
<b>Total liabilities and equity</b>	<b>199,543</b>	<b>178,431</b>	<b>176,643</b>
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 <sup>1</sup>	25,403	23,824	24,000

<sup>1</sup> 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 <sup>3</sup> 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%) <sup>2</sup>	-	-	-
Pension assets in excess of related liabilities <sup>1</sup>	-	-	-
Other items, net	-36	-238	-257
Total regulatory adjustments to Common Equity Tier 1 capital	-923	-996	-1,055
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>17,240</b>	<b>17,164</b>	<b>17,170</b>
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
<b>Tier 1 capital (net after deduction)</b>	<b>20,130</b>	<b>19,932</b>	<b>18,746</b>
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
<b>Own funds (net after deduction)<sup>2</sup></b>	<b>24,076</b>	<b>24,168</b>	<b>22,720</b>

<sup>1</sup> Based on conditional FSA approval

<sup>2</sup> Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 24,013m by 30 Jun 2015

<sup>3</sup> 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

	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
EURm						
<b>Credit risk</b>	<b>6,413</b>	<b>80,158</b>	<b>5,759</b>	<b>71,986</b>	<b>5,960</b>	<b>74,501</b>
- 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
<b>Credit Value Adjustment Risk</b>	<b>14</b>	<b>178</b>	<b>14</b>	<b>172</b>	<b>14</b>	<b>171</b>
<b>Market risk</b>	<b>257</b>	<b>3,207</b>	<b>218</b>	<b>2,724</b>	<b>211</b>	<b>2,635</b>
- 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
<b>Operational risk</b>	<b>378</b>	<b>4,730</b>	<b>322</b>	<b>4,028</b>	<b>322</b>	<b>4,028</b>
Standardised	378	4,730	322	4,028	322	4,028
<b>Sub total</b>	<b>7,062</b>	<b>88,273</b>	<b>6,313</b>	<b>78,910</b>	<b>6,507</b>	<b>81,335</b>
<b>Adjustment for Basel I floor</b>						
Additional capital requirement according to Basel I floor	-	-	-	-	-	-
<b>Total</b>	<b>7,062</b>	<b>88,273</b>	<b>6,313</b>	<b>78,910</b>	<b>6,507</b>	<b>81,335</b>

## Minimum Capital Requirement &amp; Capital Buffers

	Minimum Capital requirement	Capital Buffers				Capital Buffers total	Total
Percentage		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

	30 Jun 2015	31 Dec 2014	30 Jun 2014
<b>Percentage points of REA</b>			
Common Equity Tier 1 capital <sup>1</sup>	15.0	17.3	N/A

<sup>1</sup> 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 ratio<sup>1</sup>

	30 Jun 2015	31 Dec <sup>2</sup> 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 <sup>1</sup>	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

	Trading book, IM		Trading book, SA		Banking book, SA		Total	
EURm	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement	REA	Capital requirement
Interest rate risk & other <sup>1</sup>	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
<b>Total</b>	<b>763</b>	<b>61</b>	<b>30</b>	<b>3</b>	<b>2,414</b>	<b>193</b>	<b>3,207</b>	<b>257</b>

<sup>1</sup> 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](http://www.nordea.com). An indexed on-demand version will also be available on [www.nordea.com](http://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](http://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 member<sup>1</sup>

Tom Knutzen  
Board member

Robin Lawther  
Board member

Toni H. Madsen  
Board member<sup>1</sup>

Lars G Nordström  
Board member

Lars Oddestad  
Board member<sup>1</sup>

Sarah Russell  
Board member

Silvija Seres  
Board member

Kari Stadigh  
Board member

Birger Steen  
Board member

Christian Clausen  
President and Group CEO

<sup>1</sup> 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

## APPENDIX 1 SUMMARY

*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 issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.*

*Even though an Element may be required to be inserted in the summary because of the type of securities and 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".*

*Italics in particular Elements 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 "Terms and Conditions of the Notes" (the "**Conditions**") below or elsewhere in the Base Prospectus have the same meanings in this summary.*

Section A – Introduction and Warnings		
<b>A.1</b>	<b>Introduction:</b>	This summary should be read as introduction to the Base Prospectus and the applicable Final Terms. Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information (as defined in Article 2.1(s) of the Prospectus Directive) in order to aid investors when considering whether to invest in such Notes.
<b>A.2</b>	<b>Consent:</b>	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "<b>Public Offer</b>".</p> <p><i>Not applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency)./The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) on the following basis:(a) the relevant Public Offer must occur during the period from and including [ ] to but excluding [ ] (the "<b>Offer Period</b>") in [ ] [and [ ]] (the "<b>Public Offer Jurisdiction(s)</b>") and (b) the relevant Authorised Offeror must have agreed to the Authorised Offeror Terms [and satisfy the following additional conditions: [ ]]./The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by [ ] on the following basis: (a) the relevant Public Offer must occur during the period from and including [ ] to but excluding [ ] (the "<b>Offer Period</b>") in [ ] [and [ ]] (the "<b>Public Offer Jurisdiction(s)</b>") and (b) the relevant Authorised Offeror must have agreed to the Authorised Offeror Terms [and satisfy the following additional conditions: [ ]].</i></p> <p><b>Authorised Offerors will provide information to an Investor on the terms and conditions of the Public Offer of the relevant Notes at the time such Public Offer is made by the Authorised Offeror to the Investor.</b></p>

Section B – Issuer		
<b>B.1</b>	<b>The legal name of the Issuer:</b>  <b>The commercial name of the Issuer:</b>	Nordea Bank AB (publ) (" <b>Nordea Bank AB</b> " or the " <b>Issuer</b> ").  Nordea.
<b>B.2</b>	<b>The domicile and legal form of the Issuer, legislation under which the Issuer operates and its country of incorporation:</b>	The Issuer is a public ( <i>publ</i> ) limited liability company incorporated under Swedish law and is subject to the Swedish Companies Act (2005:551) and is licensed to conduct banking operations in accordance with the Banking and Finance Business Act (2004:297). The Issuer is registered at the Swedish Companies Registration Office under the name Nordea Bank AB with registration no. 516406-0120 and its registered office is located in Stockholm, Sweden.
<b>B.4b</b>	<b>Trends:</b>	Not applicable. There are no clear trends affecting the Issuer or the markets in which it and the Nordea Group operate.
<b>B.5</b>	<b>The Group:</b>	<p>The Issuer 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 Nordea Bank AB are Nordea Bank Danmark A/S in Denmark, Nordea Bank Finland Plc in Finland and Nordea Bank Norge ASA in Norway.</p> <p>The Issuer believes that the Nordea Group has the largest customer base of any financial services group based in the Nordic markets (based on a comparison of Nordic bank annual reports by Nordea Markets (Nordea Bank Finland Plc)). As of 31 December 2014, the Nordea Group had total assets of EUR 669.3 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.</p>
<b>B.9</b>	<b>Profit forecast or profit estimate:</b>	Not applicable. The Issuer does not make a profit forecast or profit estimate in the Base Prospectus.
<b>B.10</b>	<b>Audit report qualifications:</b>	Not applicable. There are no qualifications in the audit reports for the Issuer.
<b>B.12</b>	<b>Selected key financial information:</b>	The tables below show certain selected summarised financial information which, without material changes, is derived from, and must be read together with, the Nordea Group's audited consolidated financial statements for the year ending 31 December 2014 set out in Annex 1 to the Base Prospectus and the auditor's report and notes thereto and the Nordea Group's unaudited consolidated financial statements for the six months ending 30 June 2015 set out in the Annex to this Supplement and the notes thereto <sup>i</sup> .

<sup>i</sup> By virtue of the Supplement dated 27 July 2015, selected key information for the six months ending 30 June 2015 accompanied by comparative data from the same period in the prior financial year has been included.

		Year ended 31 December		6 months ended 30 June	
		2014	2013	2015	2014
		<i>(EUR millions)</i>			
	<b>Income Statement</b>				
	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
	<b>Balance Sheet</b>				
	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
	<b>Cash Flow Statement</b>				
	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
	<p>There has been no material adverse change in the ordinary course of business or in the prospects or condition of the Issuer or the Nordea Group since 31 December 2014, being the date of its last published audited financial statements.</p> <p>There has been no significant change in the financial or trading position of the Issuer or the Nordea Group which has occurred since 30 June 2015<sup>ii</sup>, being the date of its last published unaudited financial statements.</p>				
<b>B.13</b>	<b>Recent events:</b>	Not applicable. There have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency since the date of its last published audited or unaudited financial statements.			
<b>B.14</b>	<b>Dependence upon other entities within the Group:</b>	Not applicable. The Issuer is not dependent on other entities within the Nordea Group.			
<b>B.15</b>	<b>The Issuer's principal activities:</b>	<p>The Nordea Group's organisational structure is built around three main business areas: Retail Banking, Wholesale Banking and Wealth Management. In addition to these business areas, the Nordea Group's organisation includes the following two Group functions: Group Corporate Centre and Group Risk Management.</p> <p>The Issuer conducts banking operations in Sweden within the scope of the Nordea Group's business organisation. The Issuer develops and markets financial products and services to personal customers, corporate customers and the public sector.</p>			
<b>B.16</b>	<b>Controlling persons:</b>	Not applicable. To the best of the Issuer's knowledge, the Nordea Group is not directly or indirectly owned or controlled by any single person or group of persons acting together.			
<b>B.17</b>	<b>Ratings assigned to the Issuer or its debt securities:</b>	As of the date of the Base Prospectus, the long term (senior) debt ratings of the Issuer are:			

<sup>ii</sup> 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 the Issuer has been updated from 31 March 2015 to 30 June 2015.

	<b>Rating Agency</b>	<b>Rating</b>
	Moody's Investors Service Limited	Aa3 <sup>iii</sup>
	Standard & Poor's Credit Market Services Europe Limited	AA- (negative outlook)
	Fitch Ratings Limited	AA-
	<i>The Notes to be issued have not been assigned any ratings solicited by the Issuer./The Notes to be issued are expected to be rated:</i>	
	<i>Standard &amp; Poor's Credit Market Services Europe Limited: [ ].</i>	
	<i>Moody's Investors Service Limited: [ ].</i>	
	<i>Fitch Ratings Limited: [ ].</i>	

<b>Section C – The Notes</b>		
<b>C.1</b>	<b>Type and class of securities:</b>	<p><b>Forms of Notes:</b> Notes may be issued in bearer form, in registered form or (in the case of VP Notes, VPS Notes, Swedish Notes and Swiss Franc Notes) in uncertificated and dematerialised book entry form.</p> <p>Each Tranche of Notes in bearer form (except Swiss Franc Notes) will initially be in the form of a Temporary Global Note. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.</p> <p>Global Notes may be issued in Classic Global Note or New Global Note form, as specified in the relevant Final Terms.</p> <p>Each Tranche of Registered Notes will be in the form of either Individual Note Certificates or a Global Registered Note, in each case as specified in the relevant Final Terms. Each Global Registered Note will be exchangeable for Individual Note Certificates in accordance with its terms.</p> <p>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 [bearer Notes which are [not] issued in New Global Note form/registered Notes/VP Notes/VPS Notes/Swedish Notes in uncertificated and dematerialised book entry form].</i></p> <p><b>Issuance in Series:</b> Notes are issued in series (each a "<b>Series</b>") and Notes of each Series will all be subject to identical terms (except issue price, issue date and interest commencement date, which may or may not be identical) whether as to currency, denomination, interest or maturity or otherwise, save that a Series may comprise Notes in bearer form and in registered form. Further Notes may be issued as part of an existing Series (each a "<b>Tranche</b>"), which</p>

<sup>iii</sup> By virtue of the Supplement dated 27 July 2015, the Issuer wishes to clarify that the rating provided by Moody's Investors Service Limited has been affirmed as "Aa3".



		<p>will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches.</p> <p><i>The Series number of the Notes is [ ]. [The Tranche number is [ ].]</i></p> <p><b>Security Identification Number(s):</b> The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg or, in the case of VP Notes, the VP or, in the case of VPS Notes, the VPS or, in the case of Swedish Notes, Euroclear Sweden or, in the case of Swiss Franc Notes, the SIS. Each Tranche of Notes will be allocated an International Securities Identification Number (ISIN), Common Code and/or other securities identifier, which will be contained in the Final Terms relating thereto. Notes issued in Series comprising more than one Tranche may be assigned a temporary ISIN and Common Code or other securities identifier on issue.</p> <p><i>The Notes will be cleared through [ ]. The Notes have been assigned the following securities identifiers: [ ].</i></p> <p><b>Conditions:</b> "Terms and Conditions of the Notes" in the Base Prospectus, as completed by the relevant Final Terms.</p>
C.2	<b>Currency of the securities issue:</b>	<p><b>Currencies:</b> U.S. dollars, euro, sterling, Yen, Swiss francs, Renminbi and/or such other currency or currencies as may be agreed with the relevant Dealer(s), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p><i>The currency of the Notes is [ ].</i></p> <p><b>Denominations:</b> Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to (i) a minimum denomination of €1,000 (or its equivalent in any other currency); and (ii) compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p><i>The Notes are issued in denomination(s) of [ ].</i></p>
C.5	<b>Restrictions on free transferability:</b>	<p>Each Dealer and each purchaser of Notes must observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes or distribute the Base Prospectus or any offering material in relation to the Notes. In particular, Nordea Bank AB has not registered, and will not register, the Notes under the Securities Act or any other securities laws. Subject thereto (and, in the case of beneficial owners of global Notes, in accordance with the applicable procedures of the relevant clearing system(s) in which such Notes are held), the Notes will be freely transferable.</p>
C.8	<b>The rights attaching to the securities, including ranking and limitations to those rights:</b>	<p><b>Status of the Notes:</b> Notes may be issued on a subordinated or an unsubordinated basis.</p> <p><i>The Notes are [Unsubordinated Notes/Subordinated Notes].</i></p> <p><b>Taxation:</b> All payments in respect of the Notes will be made without withholding or deduction for or on account of Swedish withholding taxes unless required by law. If such withholdings are required by Swedish law the Issuer will in certain circumstances pay certain additional amounts as described in, and subject to exceptions set out in, Condition Error! Reference source not found. (Taxation).</p> <p><b>Governing Law:</b> English law governs the Notes and all non-contractual obligations arising out of or in connection with them except that (i) the subordination provisions applicable to Subordinated Notes are governed by Swedish law; (ii) the registration of VP Notes in the VP are governed by</p>

		<p>Danish law; (iii) the registration of VPS Notes in the VPS are governed by Norwegian law; and (iv) the registration of Swedish Notes in the book entry system and register maintained by Euroclear Sweden (the "<b>Euroclear Sweden Register</b>") are governed by Swedish law. Holders of the Notes are entitled to the rights and subject to the obligations and liabilities arising under such regulations and legislation of such jurisdictions.</p> <p><b>Negative Pledge:</b> None.</p> <p><b>Cross Default:</b> None.</p> <p><b>Substitution and Variation:</b> The Issuer may substitute or vary the terms of the Subordinated Notes as provided in Condition <b>Error! Reference source not found.</b> (<i>Substitution and Variation</i>) if so specified in the relevant Final Terms. Such Notes may not be substituted or varied without the prior approval of the Swedish Financial Supervisory Authority (<i>Finansinspektionen</i>) ("<b>SFSA</b>").</p> <p><i>Condition Error! Reference source not found.</i> (<i>Substitution and Variation</i>) is [not] applicable to the Notes.</p> <p><b>Enforcement of Notes in Global Form:</b> In the case of Notes in global form or in uncertificated and dematerialised book entry form, investors' rights will be supported by a deed of covenant dated 8 May 2015 (as amended and/or restated and/or replaced from time to time).</p> <p><b>Limitations on the rights attaching to the Notes:</b> This part of the Element is not applicable, as there are no such limitations on rights attaching to the Notes.</p>
C.9	<b>The rights attaching to the securities (continued), including information as to interest, maturity, yield and the representative of the Holders:</b>	<p>See Element C.8 for a description of the rights attaching to the Notes, ranking and limitations.</p> <p><b>Interest:</b> Notes may be interest bearing or non-interest bearing. See Condition <b>Error! Reference source not found.</b> (<i>Interest</i>). Notes may be issued as fixed rate, floating rate (based on LIBOR, EURIBOR, BBSW, BKBM, CDOR, CIBOR, HIBOR, JIBAR, MOSPRIME, NIBOR, SHIBOR, STIBOR, TIBOR, TIIE, TRLIBOR or WIBOR), reset, zero coupon or partly paid. In respect of each Tranche of interest-bearing Notes, the date from which interest becomes payable and the due dates for interest will be specified in the relevant Final Terms.</p> <p><i>The Notes do not bear interest./The Notes are interest-bearing:</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>[Reset Date(s): [ ].]</i></p> <p><i>[Reference Rate: [ ].]</i></p> <p><i>[Margin: +/- [ ].]</i></p> <p><i>[Maximum Rate of Interest: [ ].]</i></p> <p><i>[Minimum Rate of Interest: [ ].]</i></p> <p><i>[Day Count Fraction: [ ].]</i></p> <p><b>Maturities:</b> Any maturity subject to a minimum maturity of 30 days subject, in relation to specific currencies, to compliance with all applicable legal and/or</p>

		<p>regulatory and/or central bank requirements.</p> <p><i>Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed on [ ].</i></p> <p><b>Redemption:</b> Notes may be redeemable at par or at such other redemption amount as may be specified in the relevant Final Terms.</p> <p>Early redemption of the Notes will be permitted for taxation reasons. In relation to Subordinated Notes only, redemption is permitted as a result of a Capital Event or a Tax Event. Notes denominated in Sterling may not be redeemed prior to one year and one day from the date of issue (the "<b>Issue Date</b>").</p> <p>No early redemption of Subordinated Notes may take place without the prior written consent of the SFSA.</p> <p><i>Unless previously redeemed, or purchased and cancelled, each Note will be redeemed at [par/its final redemption amount of [ ] per Calculation Amount]. [The Notes are Subordinated Notes and early redemption is permitted as a result of a Capital Event or a Tax Event [only with the prior written consent of the SFSA].]</i></p> <p><b>Optional Redemption:</b> Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or (in the case of Unsubordinated Notes only) the Holder to the extent (if at all) specified in the relevant Final Terms.</p> <p><i>The Notes do [not] provide for early redemption at the option of [either] the Issuer [and/or] the Holder. [The Notes may be redeemed at the option of the Issuer [in whole]/[in whole or in part] on [ ] at [ ], plus accrued interest (if any) to such date, on the Issuer's giving not less than 30 nor more than 60 days' notice to the Holder.]/[The Issuer shall, at the option of the Holder of any Note redeem such Note on [ ] at [ ] together with interest (if any) accrued to such date, on the Holder's giving not less than 45 days' notice to the Issuer.]</i></p> <p><b>Withholding Tax Redemption:</b> Except as described in "Optional Redemption" above, early redemption will only be permitted if, as a result of any change in the laws of the Kingdom of Sweden or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of such Notes or, in the case of Unsubordinated Notes, any earlier date specified in the relevant Final Terms on the occasion of the next payment due in respect of such Notes the Issuer would be required to pay additional amounts as provided in Condition Error! Reference source not found.. In such circumstances, the Issuer may, at its option and with respect to Subordinated Notes, subject to the prior approval of the SFSA, having given not less than thirty nor more than sixty days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders in accordance with Condition Error! Reference source not found.. (which notice shall be irrevocable) redeem in whole (but not, unless and to the extent that the relevant Final Terms specifies otherwise, in part in relation to Unsubordinated Notes) the Notes of the relevant Series at its Outstanding Principal Amount (or such other redemption amount as may be specified in the relevant Final Terms or at the redemption amount referred to in Condition Error! Reference source not found., together with accrued interest (if</p>
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		<p>any) thereon.</p> <p><b>"Outstanding Principal Amount"</b> means, the principal amount of the Note on the Issue Date as reduced by any partial redemptions or repurchases from time to time.</p> <p><b>Issue Price:</b> Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer at the time of issuance in accordance with prevailing market conditions.</p> <p><i>The Issue Price of the Notes is [ ].</i></p> <p><b>Yield:</b> The yield of each Tranche of Notes bearing interest at a fixed rate will be calculated on an annual or semi-annual basis using the relevant Issue Price at the relevant Issue Date.</p> <p><i>Based upon the Issue Price of [ ], at the Issue Date the anticipated yield of the Notes is [ ] per cent. per annum.</i></p> <p><b>Representative of the Noteholders:</b> Not applicable. This part of the Element relates to representative(s) of the Noteholders. There is no trustee.</p>
<b>C.10</b>	<b>Derivative components in interest payment:</b>	<p>Not applicable.</p> <p>This Element requires that an explanation be given of how the value of an investment in Notes with interest payments linked to derivative components is affected by the value of the underlying instrument(s). No such Notes will be issued under the Programme.</p>
<b>C.11</b>	<b>Listing and trading:</b>	<p>Each Series may be admitted to listing on the Official List of the Irish Stock Exchange and to trading on its Main Market and/or admitted to listing elsewhere as may be agreed between the Issuer and the relevant Dealer and as specified in the relevant Final Terms. Unlisted Notes may also be issued.</p>
<b>C.21</b>		<p><i>The Notes are unlisted Notes./Application will be made for the Notes to be admitted to listing on [ ] and to trading on [ ] effective as of [ ].</i></p>

<b>Section D - Risks</b>		
<b>D.2</b>	<b>Risks specific to the Issuer:</b>	<p>In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in the Base Prospectus a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. These factors include:</p> <p><b><i>Risks relating to current macroeconomic conditions</i></b></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</p>

Nordea Group.

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.

***Risks relating to the Nordea Group's credit portfolio***

Adverse changes in the credit quality of the Nordea Group's borrowers and counterparties or a decrease in collateral values are likely to affect the recoverability and value of the Nordea Group's assets and require an increase in its individual provisions and potentially in collective provisions for impaired loans. A significant increase in the size of the Nordea Group's allowance for loan losses and loan losses not covered by allowances would have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

The Nordea Group is exposed to counterparty credit risk, settlement risk and transfer risk on transactions executed in the financial services industry and its transactions in financial instruments. If counterparties default on their obligations, this could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

***Risks relating to market exposure***

The 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.

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

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.

***Risks relating to liquidity and capital requirements***

A substantial part of the Nordea Group's liquidity and funding requirements is met through reliance on customer deposits, as well as ongoing access to wholesale lending markets, including issuance of long-term debt market instruments such as covered bonds. Turbulence in the global financial markets and economy may adversely affect the Nordea Group's liquidity and the willingness of certain counterparties and customers to do business with the Nordea Group.

The Nordea Group's business performance could be affected if the capital adequacy ratios it is required to maintain under the legislative package comprising Directive 2013/36/EU, Regulation (EU) No. 575/2013 and any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer or the Nordea Group and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer or the Nordea Group (on a solo or consolidated basis, as the case may be) to the extent required by Directive 2013/36/EU 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.

The Nordea Group's funding costs and its access to the debt capital markets depend significantly on its credit ratings. A reduction in credit ratings could adversely affect the Nordea Group's access to liquidity and its competitive position, and therefore, have a material adverse effect on its business, financial condition and results of operations.

***Other risks relating to the Nordea Group's business***

The Nordea Group's business operations are dependent on the ability to process a large number of complex transactions across different markets in many currencies and operations are carried out through a number of entities. Although the Nordea Group has implemented risk controls and taken other actions to mitigate exposures and/or losses, there can be no assurances that such procedures will be effective in controlling each of the operational risks faced by the Nordea Group, or that the Nordea Group's reputation will not be damaged by the occurrence of any operational risks.

The Nordea Group's operations in Russia and 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.

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 newly 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.

There is competition for the types of banking and other products and services that the Nordea Group provides and there can be no assurances that the Nordea Group can maintain its competitive position.

***Risks relating to the legal and regulatory environments in which the Nordea Group operates***

The 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

		<p>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>
<b>D.3</b>	<b>Risks specific to the Notes:</b>	<p>There are also risks related to any issue of Notes under the Programme and specific types of Notes, which prospective investors should carefully consider and make sure they understand prior to making any investment decision with respect to the Notes, including:</p> <ul style="list-style-type: none"> <li>• The Notes may not be a suitable investment for all investors.</li> <li>• The Notes may not be freely transferred.</li> <li>• There may be no active trading market for the Notes.</li> <li>• Noteholders are subject to market volatility.</li> <li>• Credit ratings are subject to revision, suspension or withdrawal at any time, and a change in the credit ratings of the Notes, or a new unsolicited credit rating assigned on the Notes, could affect the market value and reduce the liquidity of the Notes.</li> <li>• Fixed Rate Notes are subject to interest rate risks.</li> <li>• Gains on the transfer of the Notes may become subject to income taxes under PRC tax laws.</li> <li>• There are risks relating to Partly Paid Notes.</li> <li>• There are risks relating to fixed/floating rate Notes.</li> <li>• There are risks relating to Reset Notes.</li> <li>• The Notes may be issued at a substantial discount or premium.</li> <li>• The Notes are subject to risks related to exchange rates and exchange controls.</li> <li>• Noteholders are subject to credit risk on the Issuer.</li> <li>• The Notes may be redeemed early.</li> </ul>

- Noteholders' rights and obligations may be amended at meetings of Noteholders.
- The terms and conditions of the Notes may be changed.
- Changes in laws and regulations may affect the terms and conditions of the Notes.
- The Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples.
- The amount of Notes to be issued under the Programme may be changed.
- Regulatory action in the event of a failure of the Issuer could materially adversely affect the value of the Notes.
- EU Savings Directive.
- The proposed financial transactions tax may negatively affect holders of Notes or the Issuer.
- Payments under the Notes may be subject to withholding tax pursuant to the U.S. Foreign Account Tax Compliance Act.
- Investors will have to rely on Euroclear's, Clearstream, Luxembourg's, VP's, VPS's, Euroclear Sweden's or SIS's (as the case may be) procedures for transfer, payment and communication with the Issuer.

In addition to the above, there are risks specific to the Subordinated Notes:

- Under certain circumstances, the Issuer's ability to redeem or repurchase the Subordinated Notes may be limited.
- The Subordinated Notes are subordinated to most of the Issuer's liabilities.
- The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Subordinated Notes.
- Remedies in case of default on Subordinated Notes are severely limited.
- The Issuer could, in certain circumstances, substitute or vary the terms of Subordinated Notes.

In addition to the above, there are risks specific to Notes denominated in Renminbi, including:

- Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes.
- There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes.
- Investment in the Renminbi Notes is subject to exchange rate risks.
- Investment in the Renminbi Notes is subject to currency risk.



		<ul style="list-style-type: none"> <li>Investment in the Renminbi Notes is subject to interest rate risks.</li> <li>Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes.</li> <li>Remittance of proceeds in Renminbi into or out of the PRC.</li> </ul>
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Section E - Offer		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds:</b>	<i>The net proceeds of the issue of the Notes will be used for [the general banking and other corporate purposes of the Nordea Group/[ ]].</i>
<b>E.3</b>	<b>Terms and Conditions of the Offer:</b>	<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.] 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>
<b>E.4</b>	<b>Interests material to the Issue:</b>	<p>The Issuer has appointed Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Natixis, Nordea Bank AB (publ), Nordea Bank Danmark A/S, Nordea Bank Finland Plc, Nordea Bank Norge ASA, RBC Europe Limited, The Royal Bank of Scotland plc, Société Générale, UBS Limited and UniCredit Bank AG as principal dealers for the Programme and UBS AG as Swiss dealer for the Programme (together with any other dealer appointed from time to time by the Issuer, either generally in relation to the Programme or in relation to a particular Series of Notes, the "Dealers").</p> <p>The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in the Dealership Agreement made between the Issuer and the Dealers. Notes may be distributed by way of private or public placement, in each case on a syndicated or a non-syndicated basis.</p> <p>Interests material to the issue/offer of Notes may arise principally as a result of the ordinary business activities of the Dealers and their affiliates, in the course of which they may make, hold and actively trade investments that may involve Notes and/or instruments of the Issuer or the Issuer's affiliates, including Notes, and may hedge their credit exposure to the Issuer. Such hedging may include the purchase of credit default swaps or the creation of short positions in Notes of the Issuer or the Issuer's affiliates, including potentially the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such Notes.</p> <p><i>So far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer./[ ].</i></p>
<b>E.7</b>	<b>Estimated expenses:</b>	It is not anticipated that the 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

		<p>arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer. Such expenses (if any) will be determined on a case by case basis.</p> <p><i>No expenses are being charged to an investor in the Notes by the Issuer [or any Authorised Offeror]/The Authorised Offeror(s) will charge expenses to investors. The estimated expenses chargeable to investors by the Authorised Offeror(s) are [ ].</i></p>
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## APPENDIX 2 SELECTED FINANCIAL INFORMATION

The tables below show certain selected summarised financial information which, without material changes, is derived from the Nordea Group's audited consolidated financial statements for the year ending 31 December 2014, which are set out in Annex 1 to this Base Prospectus and the Nordea Group's unaudited consolidated financial statements for the six months ending 30 June 2015, which are set out in the Annex to this Supplement and the notes thereto..

The Nordea Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards ("**IFRS**") and interpretations of such standards by the International Financial Reporting Interpretations Committee, as endorsed by the EU Commission. 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.

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

### Income Statement

	Group			
	Year ended 31 December		Six month period ended 30 June	
	2014	2013	2015	2014
	(EUR millions)			
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
	(EUR millions)			
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