

## 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.

**SUPPLEMENT NO. 5 DATED 5 FEBRUARY 2016 TO THE BASE PROSPECTUS DATED 8 MAY 2015**



**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. 5 (the "**Supplement**") is supplemental to, and must be read in conjunction with, the base prospectus dated 8 May 2015 and the base prospectus supplements dated 22 May 2015, 27 July 2015, 30 October 2015 and 3 November 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.

### FOURTH QUARTER REPORT 2015

On 27 January 2016, the Issuer published its fourth quarter report for the year ending 31 December 2015 (the "**Fourth Quarter Report 2015**"). The Fourth Quarter Report 2015 contains unaudited consolidated and individual financial statements. By virtue of this Supplement, the unaudited consolidated income statement, statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement, the Issuer's unaudited income statement and balance sheet and the related notes of the Fourth Quarter Report 2015 are set out in the annex hereto, and such annex forms part of this Supplement and the Base Prospectus.

### CHANGES TO THE GROUP EXECUTIVE MANAGEMENT

The Group Executive Management has undergone a number of recent appointments and changes in December 2015 and January 2016. The current membership of the Group Executive Management team of the Issuer as of 1 February 2016 is as follows:

Casper von Koskull	President and Group Chief Executive Officer (CEO)
Torsten Hagen Jørgensen	Deputy Group Chief Executive Officer (Deputy CEO), Group Chief Operating Officer (COO), Executive Vice President and Head of Group Corporate Centre
Lennart Jacobsen	Executive Vice President, Head of Retail Banking and Country Senior Executive in Sweden
Mads Jacobsen	Executive Vice President, Deputy Head of Retail Banking and Country Senior Executive in Denmark
Snorre Storset	Executive Vice President, Head of Wealth Management and Country Senior Executive in Norway
Erik Ekman	Executive Vice President and Head of Wholesale Banking
Ari Kaperi	Group Chief Risk Officer (CRO), Head of Group Risk Management and Country Senior Executive in Finland
Eva-Lotta Rosenqvist*	Group Compliance Officer and Head of Group Compliance
Heikki Ilkka	Executive Vice President, Group Chief Financial Officer (CFO) and Head of Group Finance and

	Business Control
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\*announced pending departure

## **SIMPLIFICATION OF LEGAL STRUCTURE**

The Issuer continues to work on simplifying its legal structure (as previously announced in 2015) with the aim to change the Norwegian, Danish and Finnish subsidiary banks to branches of the Issuer by means of cross-border mergers for which each entity has now signed cross-border merger plans. The cross-border merger plans will be presented to the Annual General Meeting for approval on 17 March 2016, with the cross-border mergers planned to take place by early 2017. The changes to the legal structure depend, amongst other things, on the approval being sought at the Annual General Meeting, regulatory approvals, a satisfactory outcome of discussions with the local authorities, no applicable laws impeding the mergers or any other reason deemed significant by the board of directors of the Issuer. The key risks to the completion of the cross-border mergers are external, including being dependent on the local regulatory supervisors and tax authorities. The Issuer expects that the cross-border mergers will only have minor effects on capitalisation levels of the Nordea Group and no effect on the consolidation of own funds or level of capital requirements. The Issuer expects that the cross-border mergers will not significantly affect the amount of corporate tax paid by the Nordea Group and it will continue to pay tax in the countries in which it operates. The Issuer expects that the overall financial effects of completing the cross-border mergers could entail additional net costs that are not insignificant depending on the final outcome of regulations, including the proposed build up of the Swedish resolution fund over the next four to five years.

## **DIVESTMENT OF MERCHANT ACQUIRING BUSINESS**

On 10 December 2015, the Issuer announced that it has completed its previously announced divestment of its merchant acquiring business (a service provided to corporate customers, enabling them to accept card payments at point-of-sale and online) to Nets Holding A/S, with the resulting capital gain and income tax expense recorded in its unaudited consolidated financial statements in the Fourth Quarter 2015 Report.

## **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 31 December 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 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**

### **Index**

#### ***Nordea Bank AB (publ)***

1. Unaudited consolidated income statement dated 31 December 2015	Page 6
2. Unaudited consolidated statement of comprehensive income dated 31 December 2015	Page 6
3. Unaudited consolidated balance sheet dated 31 December 2015	Page 7
4. Unaudited consolidated statement of changes in equity dated 31 December 2015	Page 8
5. Unaudited consolidated cash flow statement (condensed) dated 31 December 2015	Page 9
6. Notes to the Consolidated Financial Statements	Pages 10-29
7. Unaudited income statement dated 31 December 2015	Page 30
8. Unaudited balance sheet dated 31 December 2015	Page 31
9. Notes to the Nordea Bank Financial Statements	Pages 32-35

## Income statement

EURm	Note	Q4 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
<b>Operating income</b>							
Interest income		2,045	2,371	4,132	4,918	8,549	9,995
Interest expense		-804	-1,015	-1,619	-2,166	-3,439	-4,513
Net interest income		1,241	1,356	2,513	2,752	5,110	5,482
Fee and commission income		1,019	1,006	1,994	1,928	4,035	3,799
Fee and commission expense		-251	-243	-509	-498	-1,010	-957
Net fee and commission income	3	768	763	1,485	1,430	3,025	2,842
Net result from items at fair value	4	436	367	658	658	1,703	1,425
Profit from companies accounted for under the equity method		3	-1	21	6	39	18
Other operating income		197	33	221	431	263	474
<b>Total operating income</b>		<b>2,645</b>	<b>2,518</b>	<b>4,898</b>	<b>5,277</b>	<b>10,140</b>	<b>10,241</b>
<b>Operating expenses</b>							
General administrative expenses:							
Staff costs		-956	-760	-1,712	-1,491	-3,263	-3,159
Other expenses	5	-455	-418	-758	-798	-1,485	-1,656
Depreciation, amortisation and impairment charges of tangible and intangible assets		-65	-54	-114	-464	-209	-585
<b>Total operating expenses</b>		<b>-1,476</b>	<b>-1,232</b>	<b>-2,584</b>	<b>-2,753</b>	<b>-4,957</b>	<b>-5,400</b>
<b>Profit before loan losses</b>		<b>1,169</b>	<b>1,286</b>	<b>2,314</b>	<b>2,524</b>	<b>5,183</b>	<b>4,841</b>
Net loan losses	6	-142	-129	-254	-241	-479	-534
<b>Operating profit</b>		<b>1,027</b>	<b>1,157</b>	<b>2,060</b>	<b>2,283</b>	<b>4,704</b>	<b>4,307</b>
Income tax expense		-179	-280	-432	-468	-1,042	-950
<b>Net profit for the period from continuing operations</b>		<b>848</b>	<b>877</b>	<b>1,628</b>	<b>1,815</b>	<b>3,662</b>	<b>3,357</b>
Net profit for the period from discontinued operations, after tax	12	-	-	-	-	-	-25
<b>Net profit for the period</b>		<b>848</b>	<b>877</b>	<b>1,628</b>	<b>1,815</b>	<b>3,662</b>	<b>3,332</b>
<b>Attributable to:</b>							
Shareholders of Nordea Bank AB (publ)		848	877	1,628	1,815	3,662	3,332
Non-controlling interests		-	-	-	-	-	-
<b>Total</b>		<b>848</b>	<b>877</b>	<b>1,628</b>	<b>1,815</b>	<b>3,662</b>	<b>3,332</b>
Basic earnings per share, EUR - Total operations		0.21	0.22	0.40	0.45	0.91	0.83
Diluted earnings per share, EUR - Total operations		0.21	0.22	0.40	0.45	0.91	0.83

## Statement of comprehensive income

EURm	Q4 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
<b>Net profit for the period</b>	<b>848</b>	<b>877</b>	<b>1,628</b>	<b>1,815</b>	<b>3,662</b>	<b>3,332</b>
<b>Items that may be reclassified subsequently to the income statement</b>						
Currency translation differences during the period	-70	-1,094	-832	-901	-544	-1,039
Hedging of net investments in foreign operations:						
Valuation gains/losses during the period	-33	490	386	340	308	435
Tax on valuation gains/losses during the period	7	-108	-85	-75	-68	-96
Available for sale investments: <sup>1</sup>						
Valuation gains/losses during the period, net of recycling	-30	-28	-91	18	-160	40
Tax on valuation gains/losses during the period	8	7	21	-3	37	-8
Cash flow hedges:						
Valuation gains/losses during the period, net of recycling	10	38	20	80	84	31
Tax on valuation gains/losses during the period	-2	-8	-5	-18	-19	-7
<b>Items that may not be reclassified subsequently to the income statement</b>						
Defined benefit plans:						
Remeasurement of defined benefit plans	392	-154	210	-359	483	-518
Tax on remeasurement of defined benefit plans	-87	36	-45	84	-108	120
<b>Other comprehensive income, net of tax<sup>2</sup></b>	<b>195</b>	<b>-821</b>	<b>-421</b>	<b>-834</b>	<b>13</b>	<b>-1,042</b>
<b>Total comprehensive income</b>	<b>1,043</b>	<b>56</b>	<b>1,207</b>	<b>981</b>	<b>3,675</b>	<b>2,290</b>
<b>Attributable to:</b>						
Shareholders of Nordea Bank AB (publ)	1,043	56	1,207	981	3,675	2,290
Non-controlling interests	-	-	-	-	-	-
<b>Total</b>	<b>1,043</b>	<b>56</b>	<b>1,207</b>	<b>981</b>	<b>3,675</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> For Jan-Dec 2014 EUR -12m is related to discontinued operations.

## Balance sheet

EURm	Note	31 Dec 2015	31 Dec 2014
<b>Assets</b>			
Cash and balances with central banks		35,500	31,067
Loans to central banks	7	13,224	6,958
Loans to credit institutions	7	10,959	12,217
Loans to the public	7	340,920	348,085
Interest-bearing securities		88,176	87,110
Financial instruments pledged as collateral		8,341	12,151
Shares		40,745	39,749
Derivatives		80,741	105,119
Fair value changes of the hedged items in portfolio hedge of interest rate risk		151	256
Investments in associated undertakings		515	487
Intangible assets		3,208	2,908
Properties and equipment		557	509
Investment properties		3,165	3,227
Deferred tax assets		76	130
Current tax assets		87	132
Retirement benefit assets		377	42
Other assets		18,600	17,581
Prepaid expenses and accrued income		1,526	1,614
<b>Total assets</b>		<b>646,868</b>	<b>669,342</b>
<i>Of which assets customer bearing the risk</i>		<i>34,537</i>	<i>29,125</i>
<b>Liabilities</b>			
Deposits by credit institutions		44,209	56,322
Deposits and borrowings from the public		193,342	197,254
Liabilities to policyholders		55,491	51,843
Debt securities in issue		201,937	194,274
Derivatives		79,505	97,340
Fair value changes of the hedged items in portfolio hedge of interest rate risk		2,594	3,418
Current tax liabilities		225	368
Other liabilities		25,756	26,973
Accrued expenses and prepaid income		1,805	1,943
Deferred tax liabilities		1,028	983
Provisions		415	305
Retirement benefit obligations		329	540
Subordinated liabilities		9,200	7,942
<b>Total liabilities</b>		<b>615,836</b>	<b>639,505</b>
<b>Equity</b>			
Non-controlling interests		1	2
Share capital		4,050	4,050
Share premium reserve		1,080	1,080
Other reserves		-1,188	-1,201
Retained earnings		27,089	25,906
<b>Total equity</b>		<b>31,032</b>	<b>29,837</b>
<b>Total liabilities and equity</b>		<b>646,868</b>	<b>669,342</b>
Assets pledged as security for own liabilities		184,795	163,041
Other assets pledged		9,038	11,265
Contingent liabilities		22,569	22,017
Credit commitments <sup>1</sup>		71,340	74,291
Other commitments		3,323	1,644

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 37,961m (31 Dec 2014: EUR 38,234m).

## Statement of changes in equity

Attributable to shareholders of Nordea Bank AB (publ)										
EURm	Other reserves:							Total	Non-controlling interests	Total equity
	Share capital <sup>1</sup>	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings			
<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	-	-	-	-	-	-	3,662	3,662	-	3,662
Other comprehensive income, net of tax	-	-	-304	65	-123	375	-	13	-	13
<i>Total comprehensive income</i>	-	-	-304	65	-123	375	3,662	3,675	-	3,675
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>	-	-	-	-	-	-	20	20	-	20
Other changes	-	-	-	-	-	-	-	-	-1	-1
<b>Balance at 31 Dec 2015</b>	<b>4,050</b>	<b>1,080</b>	<b>-1,617</b>	<b>71</b>	<b>-10</b>	<b>368</b>	<b>27,089</b>	<b>31,031</b>	<b>1</b>	<b>31,032</b>

Attributable to shareholders of Nordea Bank AB (publ)										
EURm	Other reserves:							Total	Non-controlling interests	Total equity
	Share capital <sup>1</sup>	Share premium reserve	Translation of foreign operations	Cash flow hedges	Available for sale investments	Defined benefit plans	Retained earnings			
<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>

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

<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 31 Dec 2015 was 18.6 million (31 Dec 2014: 23.0 million).



## Cash flow statement, condensed - Total operations

EURm	Jan-Dec 2015	Jan-Dec 2014
<i>Operating activities</i>		
Operating profit	4,704	4,307
Profit for the period from discontinued operations, after tax	-	-25
Adjustments for items not included in cash flow	2,824	8,140
Income taxes paid	-1,056	-966
Cash flow from operating activities before changes in operating assets and liabilities	6,472	11,456
Changes in operating assets and liabilities	-6,276	-22,280
Cash flow from operating activities	196	-10,824
<i>Investing activities</i>		
Sale/acquisition of business operations	175	481
Properties and equipment	-135	-183
Intangible assets	-458	-271
Net investments in debt securities, held to maturity	-139	2,750
Other financial fixed assets	35	477
Cash flow from investing activities	-522	3,254
<i>Financing activities</i>		
Issued/amortised subordinated liabilities	735	638
Divestment/repurchase of own shares incl change in trading portfolio	20	56
Dividend paid	-2,501	-1,734
Cash flow from financing activities	-1,746	-1,040
<b>Cash flow for the period</b>	<b>-2,072</b>	<b>-8,610</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>39,683</b>	<b>45,670</b>
Translation difference	2,589	2,623
<b>Cash and cash equivalents at end of the period</b>	<b>40,200</b>	<b>39,683</b>
<b>Change</b>	<b>-2,072</b>	<b>-8,610</b>
<b>Cash and cash equivalents</b>	<b>31 Dec</b>	<b>31 Dec</b>
The following items are included in cash and cash equivalents (EURm):	<u>2015</u>	<u>2014</u>
Cash and balances with central banks	35,500	31,067
Loans to central banks	2,684	6,454
Loans to credit institutions	2,016	2,162
<b>Total cash and cash equivalents</b>	<b>40,200</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 consolidated interim financial statements are presented in accordance with IAS 34 "Interim Financial Reporting". In addition, certain complementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (1995:1559), the accounting regulations of the Swedish Financial Supervisory Authority (FFFS 2008:25 including amendments) and the Supplementary Accounting Rules for Groups (RFR 1) from the Swedish Financial Reporting Board have been applied.

The same accounting policies and methods of computation are followed as compared to the Annual Report 2014, for more information see Note G1 in the Annual Report 2014. For changes implemented during 2015, see "Changed accounting policies" below.

### Changed accounting policies

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 but have not had any significant impact on Nordea's financial statements.

### Impact on capital adequacy from new or amended IFRS standards not yet applied IFRS 9 "Financial instruments"

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

The changes in classification and measurement are not expected to have a significant impact on Nordea's income statement or balance sheet as the mixed measurement model will be maintained, and as there will still be a measurement category similar to the current Available For Sale (AFS) category in IAS 39. Significant reclassifications between fair value and amortised cost or impact on the capital adequacy and large exposures are not expected in the period of initial application, but this is naturally dependent on the

financial instruments on Nordea's balance sheet at transition.

The impairment requirements in IFRS 9 are based on an expected loss model as opposed to the current incurred loss model in IAS 39. In general, it is expected that the new requirements will increase loan loss provisions, decrease equity and have a negative impact on capital adequacy, but no impact on large exposures, in the period of initial application. IFRS 9 requires all assets measured at amortised cost and fair value through other comprehensive income, as well as guarantees and loan commitments, to be included in the impairment test. Currently Nordea does not calculate collective provisions for off balance sheet exposures or the AFS portfolio. The assets to test for impairment will be divided into three groups depending on the stage of credit deterioration. Stage 1 includes assets where there has been no significant deterioration in credit risk, stage 2 includes assets where there has been a significant deterioration and stage 3 includes assets that have been individually assessed to be impaired. In stage 1, the provisions should equal the 12 month expected loss. In stage 2 and 3, the provisions should equal the lifetime expected losses. Nordea's current model for calculating collective provisions defines a loss event as a deterioration in rating/scoring, but it is not expected that the loss event in the current model will equal the trigger event for moving items from stage 1 to stage 2 under IFRS 9. Currently Nordea does not, in addition, hold any provisions for assets where there has been no deterioration in credit risk. For assets where there has been a significant deterioration in credit risk, Nordea currently holds provisions based on the losses estimated to occur during the period between the date when the loss event occurred and the date when the loss event is identified on an individual basis, the so called "Emergence period", while IFRS 9 will require provisions equal to the lifetime expected loss. This means total provisions will increase when IFRS 9 is implemented.

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

Nordea has not yet finalised the impact assessment of the implementation of IFRS 9.

### IFRS 15 "Revenue from Contracts with Customers"

The IASB has published the new standard, IFRS 15 "Revenue from Contracts with Customers". The new standard outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition standards and interpretations within IFRS, such as IAS 18 "Revenue". The new standard is effective for annual

periods beginning on or after 1 January 2018, with earlier application permitted. The EU-commission is expected to endorse the standard during the second quarter 2016. Nordea does not currently intend to early adopt the standard. The standard does not apply to financial instruments, insurance contracts or lease contracts. Nordea has not finalised the investigation of the impact on the financial statements but the current assessment is that the new standard will not have any significant impact on Nordea's financial statements, capital adequacy, or large exposures in the period of initial application.

#### IFRS 16 "Leases"

The IASB has published the new standard, IFRS 16 "Leases". The new standard changes the accounting requirements for lessees. All leases (except for short term- and small ticket leases) should be accounted for on the balance sheet of the lessee as a right to use the

asset and a corresponding liability, and the lease payments should be recognised as amortisation and interest expense. The accounting requirements for lessors are unchanged. Additional disclosures are also required. The new standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted. The amendments are not yet endorsed by the EU-commission. Nordea does not currently intend to early adopt the amendments. Nordea's current assessment is that the new standard will change the accounting of property leases which mainly affects Nordea's balance sheet.

#### 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-Dec 2015	Jan-Dec 2014
<b>EUR 1 = SEK</b>		
Income statement (average)	9.3537	9.1012
Balance sheet (at end of period)	9.1895	9.3930
<b>EUR 1 = DKK</b>		
Income statement (average)	7.4587	7.4548
Balance sheet (at end of period)	7.4626	7.4453
<b>EUR 1 = NOK</b>		
Income statement (average)	8.9434	8.3597
Balance sheet (at end of period)	9.6030	9.0420
<b>EUR 1 = RUB</b>		
Income statement (average)	67.9657	50.9996
Balance sheet (at end of period)	80.6736	72.3370

## 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-Dec 2015</b>								
Total operating income, EURm	5,639	2,427	1,928	478	212	10,684	-544	<b>10,140</b>
- of which internal transactions <sup>1</sup> , EURm	-1,263	-308	13	1,577	-19	0	-	-
Operating profit, EURm	2,556	1,395	1,127	168	177	5,423	-719	<b>4,704</b>
Loans to the public <sup>2</sup> , EURbn	228	60	11	-	-	299	42	<b>341</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	110	45	13	-	-	168	25	<b>193</b>
<b>Jan-Dec 2014</b>								
Total operating income, EURm	5,774	2,377	1,666	398	-26	10,189	52	<b>10,241</b>
- of which internal transactions <sup>1</sup> , EURm	-1,480	-209	16	1,740	-67	0	-	-
Operating profit, EURm	2,396	1,447	880	90	-34	4,779	-472	<b>4,307</b>
Loans to the public <sup>2</sup> , EURbn	224	58	9	-	-	291	57	<b>348</b>
Deposits and borrowings from the public <sup>2</sup> , EURbn	108	39	11	-	-	158	39	<b>197</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-Dec	
	2015	2014	2015	2014	2015	2014	2015	2014
Total operating income, EURm	5,562	5,680	194	174	-117	-80	<b>5,639</b>	<b>5,774</b>
- of which internal transactions, EURm	-1,111	-1,283	-28	-41	-124	-156	<b>-1,263</b>	<b>-1,480</b>
Operating profit, EURm	2,582	2,484	90	24	-116	-112	<b>2,556</b>	<b>2,396</b>
Loans to the public, EURbn	220	216	8	8	0	0	<b>228</b>	<b>224</b>
Deposits and borrowings from the public, EURbn	106	104	4	4	0	0	<b>110</b>	<b>108</b>

	Corporate & Institutional Banking		Shipping, Offshore & Oil Services		Nordea Bank Russia		Capital Markets unallocated		Wholesale Banking Other <sup>4</sup>		Wholesale Banking Jan-Dec	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total operating income, EURm	1,428	1,496	391	366	254	226	355	286	-1	3	<b>2,427</b>	<b>2,377</b>
- of which internal transactions, EURm	-136	-139	-67	-63	-82	-30	65	101	-88	-78	<b>-308</b>	<b>-209</b>
Operating profit, EURm	869	956	329	342	155	143	109	81	-67	-75	<b>1,395</b>	<b>1,447</b>
Loans to the public, EURbn	40	39	13	12	7	7	-	-	-	-	<b>60</b>	<b>58</b>
Deposits and borrowings from the public, EURbn	39	34	5	4	1	1	-	-	-	-	<b>45</b>	<b>39</b>

	Private Banking		Asset Management		Life & Pension unallocated		Wealth Management Other <sup>5</sup>		Wealth Management Jan-Dec	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Total operating income, EURm	865	777	768	580	592	547	-297	-238	<b>1,928</b>	<b>1,666</b>
- of which internal transactions, EURm	13	12	0	0	0	0	0	4	<b>13</b>	<b>16</b>
Operating profit, EURm	457	372	532	358	411	361	-273	-211	<b>1,127</b>	<b>880</b>
Loans to the public, EURbn	11	9	-	-	-	-	-	-	<b>11</b>	<b>9</b>
Deposits and borrowings from the public, EURbn	13	11	-	-	-	-	-	-	<b>13</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-Dec		31 Dec		31 Dec	
	2015	2014	2015	2014	2015	2014
Total operating segments	5,423	4,779	299	291	168	158
Group functions <sup>1</sup>	-119	-77	-	-	-	-
Unallocated items <sup>2</sup>	-192	-130	47	61	26	40
Differences in accounting policies <sup>3</sup>	-408	-265	-5	-4	-1	-1
<b>Total</b>	<b>4,704</b>	<b>4,307</b>	<b>341</b>	<b>348</b>	<b>193</b>	<b>197</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 2015 EUR -263m ( 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**

	Q4	Q3	Q4	H2	H2	Jan-Dec	Jan-Dec
EURm	2015	2015	2014	2015	2014	2015	2014
Asset management commissions	375	374	327	749	623	1,496	1,188
Life insurance	99	84	97	183	189	373	367
Brokerage, securities issues and corporate finance	68	55	65	123	124	274	281
Custody and issuer services	38	26	30	64	53	121	129
Deposits	8	8	9	16	20	31	39
Total savings and investments	588	547	528	1,135	1,009	2,295	2,004
Payments	105	101	104	206	202	408	406
Cards	123	136	129	259	276	523	529
Total payment and cards	228	237	233	465	478	931	935
Lending	129	121	155	250	279	505	541
Guarantees and documentary payments	44	44	46	88	91	182	181
Total lending related commissions	173	165	201	338	370	687	722
Other commission income	30	26	44	56	71	122	138
<b>Fee and commission income</b>	<b>1,019</b>	<b>975</b>	<b>1,006</b>	<b>1,994</b>	<b>1,928</b>	<b>4,035</b>	<b>3,799</b>
Savings and investments	-81	-90	-85	-171	-196	-344	-363
Payments	-33	-24	-22	-57	-43	-102	-85
Cards	-59	-64	-69	-123	-133	-252	-253
State guarantee fees	-37	-40	-32	-77	-66	-147	-132
Other commission expenses	-41	-40	-35	-81	-60	-165	-124
<b>Fee and commission expenses</b>	<b>-251</b>	<b>-258</b>	<b>-243</b>	<b>-509</b>	<b>-498</b>	<b>-1,010</b>	<b>-957</b>
<b>Net fee and commission income</b>	<b>768</b>	<b>717</b>	<b>763</b>	<b>1,485</b>	<b>1,430</b>	<b>3,025</b>	<b>2,842</b>

**Note 4 Net result from items at fair value**

	Q4	Q3	Q4	H2	H2	Jan-Dec	Jan-Dec
EURm	2015	2015	2014	2015	2014	2015	2014
Equity related instruments	40	63	91	103	485	271	431
Interest related instruments and foreign exchange gains/losses	321	97	212	418	-279	1,135	323
Other financial instruments (including credit and commodities)	6	6	-32	12	289	56	409
Investment properties	0	-1	-1	-1	-4	-4	-10
Life insurance <sup>1</sup>	69	57	97	126	167	245	272
<b>Total</b>	<b>436</b>	<b>222</b>	<b>367</b>	<b>658</b>	<b>658</b>	<b>1,703</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**

	Q4	Q3	Q4	H2	H2	Jan-Dec	Jan-Dec
EURm	2015	2015	2014	2015	2014	2015	2014
Equity related instruments	2,533	-2,745	1,005	-212	1,449	1,417	2,398
Interest related instruments and foreign exchange gains/losses	-1,254	1,395	605	141	1,121	-148	2,232
Other financial instruments	-	0	0	-	5	-	0
Investment properties	59	29	45	88	84	150	255
Change in technical provisions <sup>1</sup>	-1,052	995	-1,246	-57	-2,045	-1,053	-3,834
Change in collective bonus potential	-216	364	-333	148	-504	-169	-871
Insurance risk income	53	54	55	107	112	213	212
Insurance risk expense	-54	-35	-34	-89	-55	-165	-120
<b>Total</b>	<b>69</b>	<b>57</b>	<b>97</b>	<b>126</b>	<b>167</b>	<b>245</b>	<b>272</b>

<sup>1</sup> Premium income amounts to EUR 686m for Q4 2015 and EUR 2,500m for Jan-Dec 2015 (Q4 2014: EUR 605m, Jan-Dec 2014: EUR 2,270m).

**Note 5 Other expenses**

	Q4	Q3	Q4	H2	H2	Jan-Dec	Jan-Dec
EURm	2015	2015	2014	2015	2014	2015	2014
Information technology	-130	-114	-157	-244	-287	-485	-561
Marketing and representation	-26	-15	-29	-41	-49	-84	-103
Postage, transportation, telephone and office expenses	-37	-32	-45	-69	-84	-145	-178
Rents, premises and real estate	-131	-75	-86	-206	-177	-373	-389
Other	-131	-67	-101	-198	-201	-398	-425
<b>Total</b>	<b>-455</b>	<b>-303</b>	<b>-418</b>	<b>-758</b>	<b>-798</b>	<b>-1,485</b>	<b>-1,656</b>

**Note 6 Net loan losses**

	Q4	Q3	Q4	H2	H2	Jan-Dec	Jan-Dec
EURm	2015	2015	2014	2015	2014	2015	2014
<b>Loan losses divided by class</b>							
Realised loan losses	-	-	0	-	-2	-	-2
Allowances to cover realised loan losses	-	-	0	-	2	-	2
Recoveries on previous realised loan losses	-	-	-	-	-	0	0
Provisions	0	-1	0	-1	1	0	0
Reversal of previous provisions	0	1	0	1	22	1	23
<b>Loans to credit institutions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23</b>	<b>1</b>	<b>23</b>
Realised loan losses	-128	-142	-208	-270	-323	-605	-633
Allowances to cover realised loan losses	81	109	146	190	215	448	450
Recoveries on previous realised loan losses	17	20	20	37	44	63	81
Provisions	-419	-220	-256	-639	-501	-1,074	-998
Reversal of previous provisions	277	122	169	399	295	693	557
<b>Loans to the public</b>	<b>-172</b>	<b>-111</b>	<b>-129</b>	<b>-283</b>	<b>-270</b>	<b>-475</b>	<b>-543</b>
Realised loan losses	-1	-4	-2	-5	-2	-11	-3
Allowances to cover realised loan losses	1	4	2	5	2	11	3
Provisions	-19	-17	-28	-36	-53	-104	-107
Reversal of previous provisions	49	16	28	65	59	99	93
<b>Off-balance sheet items</b>	<b>30</b>	<b>-1</b>	<b>0</b>	<b>29</b>	<b>6</b>	<b>-5</b>	<b>-14</b>
<b>Net loan losses</b>	<b>-142</b>	<b>-112</b>	<b>-129</b>	<b>-254</b>	<b>-241</b>	<b>-479</b>	<b>-534</b>

**Key ratios**

	Q4	Q3	Q4	H2	H2	Jan-Dec	Jan-Dec
	2015	2015	2014	2015	2014	2015	2014
Loan loss ratio, basis points	17	13	15	15	14	14	15
- of which individual	16	12	15	14	14	13	15
- of which collective	1	1	0	1	0	1	0

**Note 7 Loans and impairment**

	Total		
	31 Dec 2015	30 Sep 2015	31 Dec 2014
EURm			
Loans, not impaired	361,807	373,573	363,584
Impaired loans	5,960	5,486	6,425
-of which performing	3,682	3,627	4,115
-of which non-performing	2,278	1,859	2,310
<b>Loans before allowances</b>	<b>367,767</b>	<b>379,059</b>	<b>370,009</b>
Allowances for individually assessed impaired loans	-2,213	-2,173	-2,329
-of which performing	-1,289	-1,347	-1,432
-of which non-performing	-924	-826	-897
Allowances for collectively assessed impaired loans	-451	-433	-420
<b>Allowances</b>	<b>-2,664</b>	<b>-2,606</b>	<b>-2,749</b>
<b>Loans, carrying amount</b>	<b>365,103</b>	<b>376,453</b>	<b>367,260</b>

	Central banks and credit institutions			The public		
	31 Dec 2015	30 Sep 2015	31 Dec 2014	31 Dec 2015	30 Sep 2015	31 Dec 2014
EURm						
Loans, not impaired	24,185	27,118	19,177	337,622	346,455	344,407
Impaired loans	-	-	-	5,960	5,486	6,425
-of which performing	-	-	-	3,682	3,627	4,115
-of which non-performing	-	-	-	2,278	1,859	2,310
<b>Loans before allowances</b>	<b>24,185</b>	<b>27,118</b>	<b>19,177</b>	<b>343,582</b>	<b>351,941</b>	<b>350,832</b>
Allowances for individually assessed impaired loans	-	-	-	-2,213	-2,173	-2,329
-of which performing	-	-	-	-1,289	-1,347	-1,432
-of which non-performing	-	-	-	-924	-826	-897
Allowances for collectively assessed impaired loans	-2	-2	-2	-449	-431	-418
<b>Allowances</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2,662</b>	<b>-2,604</b>	<b>-2,747</b>
<b>Loans, carrying amount</b>	<b>24,183</b>	<b>27,116</b>	<b>19,175</b>	<b>340,920</b>	<b>349,337</b>	<b>348,085</b>

**Allowances and provisions**

	31 Dec 2015	30 Sep 2015	31 Dec 2014
EURm			
Allowances for items on the balance sheet	-2,664	-2,606	-2,749
Provisions for off balance sheet items	-65	-96	-72
<b>Total allowances and provisions</b>	<b>-2,729</b>	<b>-2,702</b>	<b>-2,821</b>

**Key ratios**

	31 Dec 2015	30 Sep 2015	31 Dec 2014
Impairment rate, gross, basis points	162	145	174
Impairment rate, net, basis points	102	87	111
Total allowance rate, basis points	72	69	74
Allowances in relation to impaired loans, %	37	40	36
Total allowances in relation to impaired loans, %	45	48	43
Non-performing, not impaired, EURm	485	607	289



**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	35,500	-	-	-	-	-	35,500
Loans to central banks	8,095	-	5,129	-	-	-	13,224
Loans to credit institutions	7,449	-	3,489	21	-	-	10,959
Loans to the public	251,876	-	36,999	52,045	-	-	340,920
Interest-bearing securities	61	2,708	34,870	16,421	-	34,116	88,176
Financial instruments pledged as collateral	-	-	8,341	-	-	-	8,341
Shares	-	-	4,917	35,828	-	-	40,745
Derivatives	-	-	77,594	-	3,147	-	80,741
Fair value changes of the hedged items in portfolio hedge of interest rate risk	151	-	-	-	-	-	151
Other assets	2,698	-	-	14,697	-	-	17,395
Prepaid expenses and accrued income	968	-	-	-	-	-	968
<b>Total 31 Dec 2015</b>	<b>306,798</b>	<b>2,708</b>	<b>171,339</b>	<b>119,012</b>	<b>3,147</b>	<b>34,116</b>	<b>637,120</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	17,534	1,086	-	25,589	44,209
Deposits and borrowings from the public	10,465	8,520	-	174,357	193,342
Liabilities to policyholders, investment contracts	-	19,545	-	-	19,545
Debt securities in issue	6,885	46,229	-	148,823	201,937
Derivatives	77,887	-	1,618	-	79,505
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	2,594	2,594
Other liabilities	8,824	11,141	-	3,652	23,617
Accrued expenses and prepaid income	-	-	-	341	341
Subordinated liabilities	-	-	-	9,200	9,200
<b>Total 31 Dec 2015</b>	<b>121,595</b>	<b>86,521</b>	<b>1,618</b>	<b>364,556</b>	<b>574,290</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	31 Dec 2015		31 Dec 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and balances with central banks	35,500	35,500	31,067	31,067
Loans	365,254	366,598	367,516	368,872
Interest-bearing securities	88,176	88,391	87,110	87,421
Financial instruments pledged as collateral	8,341	8,341	12,151	12,151
Shares	40,745	40,745	39,749	39,749
Derivatives	80,741	80,741	105,119	105,119
Other assets	17,395	17,395	15,766	15,766
Prepaid expenses and accrued income	968	968	1,127	1,127
<b>Total</b>	<b>637,120</b>	<b>638,679</b>	<b>659,605</b>	<b>661,272</b>
<b>Financial liabilities</b>				
Deposits and debt instruments	451,282	451,167	459,210	460,653
Liabilities to policyholders	19,545	19,545	16,741	16,741
Derivatives	79,505	79,505	97,340	97,340
Other liabilities	23,617	23,617	23,341	23,341
Accrued expenses and prepaid income	341	341	354	354
<b>Total</b>	<b>574,290</b>	<b>574,175</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		Valuation technique using observable data		Valuation technique using non- observable data		Total
	(Level 1)	Of which Life	(Level 2)	Of which Life	(Level 3)	Of which Life	
<b>Assets at fair value on the balance sheet<sup>1</sup></b>							
Loans to central banks	-	-	5,129	-	-	-	5,129
Loans to credit institutions	-	-	3,510	-	-	-	3,510
Loans to the public	-	-	89,044	-	-	-	89,044
Interest-bearing securities <sup>2</sup>	49,979	12,986	43,511	6,044	250	45	93,740
Shares <sup>3</sup>	33,158	26,757	2,717	2,414	4,878	4,212	40,753
Derivatives	211	-	78,875	32	1,655	-	80,741
Other assets	-	-	14,697	-	-	-	14,697
<b>Total 31 Dec 2015</b>	<b>83,348</b>	<b>39,743</b>	<b>237,483</b>	<b>8,490</b>	<b>6,783</b>	<b>4,257</b>	<b>327,614</b>
Total 31 Dec 2014	87,550	35,544	263,991	8,658	7,203	4,539	358,744

**Liabilities at fair value on the balance sheet<sup>1</sup>**

Deposits by credit institutions	-	-	18,620	1,361	-	-	18,620
Deposits and borrowings from the public	-	-	18,985	-	-	-	18,985
Liabilities to policyholders	-	-	19,545	19,545	-	-	19,545
Debt securities in issue <sup>4</sup>	46,229	-	6,885	-	-	-	53,114
Derivatives <sup>4</sup>	242	-	77,739	153	1,524	-	79,505
Other liabilities	6,909	-	13,056	-	-	-	19,965
<b>Total 31 Dec 2015</b>	<b>53,380</b>	<b>-</b>	<b>154,830</b>	<b>21,059</b>	<b>1,524</b>	<b>-</b>	<b>209,734</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 8,333m relates to the balance sheet item Financial instruments pledged as collateral.

<sup>3</sup> Of which EUR 8m relates to the balance sheet item Financial instruments pledged as collateral.

<sup>4</sup> For structured bonds the host contract and the embedded derivative are presented separately. The host contract is presented on the balance sheet as "Debt securities in issue" and the embedded derivative on the balance sheet as "Derivatives". The total fair value of the structured bonds is EUR 6,825m (EUR 7,541m), of which EUR 6,881m (EUR 7,185m) is categorised into Level 2 and a net positive fair value of EUR 56m (net negative fair value of EUR 356m) into Level 3 in the fair value hierarchy.

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

Nordea incorporates credit valuation adjustments (CVA) and debit valuation adjustments (DVA) into derivative valuations. CVA and DVA reflect the impact on fair value of the counterparty's credit risk and Nordea's own credit quality, respectively. Calculations are based on estimates of exposure at default, probability of default and recovery rates, on a counterparty basis.

Generally, exposure at default for CVA and DVA is based on expected exposure and estimated through the simulation of underlying risk factors. Where possible, probabilities of defaults (PDs) and recovery rates are sourced from the CDS markets. For counterparties where this information is not directly available, PDs and recovery rates are estimated using a cross sectional approach where the illiquid counterparties are mapped to comparable liquid CDS names.

The impact of funding costs and funding benefits on valuation of uncollateralised and imperfectly collateralised derivatives is recognised as a funding fair valuation adjustment (FFVA). In 2015 Nordea has developed its FFVA framework to incorporate an estimated funding curve which reflects the market cost of funding. Since FFVA is a newly developing market practice, Nordea is continuously monitoring the market practices, and consequently reviewing and developing the methodology in use.

For more information about valuation techniques and inputs 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 1,129m from Level 1 to Level 2 and EUR 295m from Level 2 to Level 1 of the fair value hierarchy. Nordea has also transferred shares of EUR 22m from Level 1 to Level 2, derivative assets of EUR 96m and derivative liabilities of EUR 120m from Level 2 to Level 1 and other liabilities of EUR 4m 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			Un-recognised in OCI	Purchases / Issues	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Translation differences	31 Dec
	1 Jan	Realised	Un-realised								
Interest-bearing securities	279	1	8	-	75	-111	-1	-	-2	1	250
- of which Life	53	-	-3	-	-	-6	-	-	-	1	45
Shares	5,458	307	49	-	4,468	-5,021	-58	29	-333	-21	4,878
- of which Life	4,486	281	36	-	4,377	-4,897	-55	3	-	-19	4,212
Derivatives (net)	-160	37	-18	-	-1	-	-37	443	-133	0	131
<b>Total 2015, net</b>	<b>5,577</b>	<b>345</b>	<b>39</b>	<b>-</b>	<b>4,542</b>	<b>-5,132</b>	<b>-96</b>	<b>472</b>	<b>-468</b>	<b>-20</b>	<b>5,259</b>
Total 2014, net	4,355	-92	126	-2	2,580	-1,813	463	-	-22	-18	5,577

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 29m from Level 2 to Level 3 and EUR 333m from Level 3 to Level 2. Nordea also transferred derivatives (net) of EUR 443m from Level 2 to Level 3 and EUR 133m 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	9	9
Recognised in the income statement during the period	-11	-11
<b>Closing balance at 31 Dec</b>	<b>34</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>	205	-	Discounted cash flows	Credit spread	-5/5
Corporates	45	45	Discounted cash flows	Credit spread	-3/3
<b>Total 31 Dec 2015</b>	<b>250</b>	<b>45</b>			<b>-8/8</b>
Total 31 Dec 2014	279	53			-11/11
<b>Shares</b>					
Private equity funds	1,965	1,781	Net asset value <sup>3</sup>		-218/232
Hedge funds	474	298	Net asset value <sup>3</sup>		-31/37
Credit funds	423	237	Net asset value/market consensus <sup>3</sup>		-23/28
Other funds	1,880	1,868	Net asset value/Fund prices <sup>3</sup>		-223/224
Other	136	28	-		-9/9
<b>Total 31 Dec 2015</b>	<b>4,878</b>	<b>4,212</b>			<b>-504/530</b>
Total 31 Dec 2014	5,458	4,486			-542/575
<b>Derivatives, net</b>					
Interest rate derivatives	180	-	Option model	Correlations Volatilities	-26/19
Equity derivatives	-24	-	Option model	Correlations Volatilities Dividends	-26/19
Foreign exchange derivatives	-35	-	Option model	Correlations Volatilities	-0/0
Credit derivatives	-18	-	Credit derivative model	Correlations Recovery rates	-8/6
Other	28	-	Option model	Correlations Volatilities	-0/0
<b>Total 31 Dec 2015</b>	<b>131</b>	<b>-</b>			<b>-60/44</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 100% 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	31 Dec <sup>3</sup> 2015	31 Dec <sup>3</sup> 2014
Calculation of own funds		
Equity in the consolidated situation	29 959	29 063
Proposed/actual dividend	-2 584	-2 501
Common Equity Tier 1 capital before regulatory adjustments	27 375	26 562
Deferred tax assets		
Intangible assets	-2 866	-2 584
IRB provisions shortfall (-)	-296	-344
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities <sup>1</sup>	-296	-33
Other items, net	-342	-780
Total regulatory adjustments to Common Equity Tier 1 capital	-3 800	-3 741
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>23 575</b>	<b>22 821</b>
Additional Tier 1 capital before regulatory adjustments	2 968	2 779
Total regulatory adjustments to Additional Tier 1 capital	-27	-12
Additional Tier 1 capital	2 941	2 767
<b>Tier 1 capital (net after deduction)</b>	<b>26 516</b>	<b>25 588</b>
Tier 2 capital before regulatory adjustments	5 940	5 011
IRB provisions excess (+)/shortfall (-)		
Deduction for investments in credit institutions (50%)		
Deductions for investments in insurance companies	-1 501	-505
Pension assets in excess of related liabilities		
Other items, net	-55	-45
Total regulatory adjustments to Tier 2 capital	-1 556	-550
Tier 2 capital	4 384	4 461
<b>Own funds (net after deduction)<sup>2</sup></b>	<b>30 900</b>	<b>30 049</b>

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

<sup>2</sup> Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 31196m by 31 Dec 2015

<sup>3</sup> including profit of the period

**Own Funds excluding profit**

EURm	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital, excluding profit	22 802	22 270
Total Own Funds, excluding profit	30 127	29 498

## Note 11, continued

## Minimum capital requirement and REA

EURm	31 Dec 2015 Minimum Capital requirement	31 Dec 2015 REA	31 Dec 2014 Minimum Capital requirement	31 Dec 2014 REA
<b>Credit risk</b>	<b>9,358</b>	<b>116,978</b>	<b>9,522</b>	<b>119,029</b>
- of which counterparty credit risk	761	9,510	843	10,535
IRB	8,297	103,717	8,451	105,637
- corporate	5,630	70,371	5,743	71,792
- <i>advanced</i>	4,497	56,211	4,048	50,600
- <i>foundation</i>	1,133	14,160	1,695	21,192
- institutions	682	8,526	766	9,572
- retail	1,802	22,520	1,755	21,940
- <i>secured by immovable property collateral</i>	1,016	12,702	897	11,219
- <i>other retail</i>	786	9,818	858	10,721
- other	183	2,300	187	2,333
Standardised	1,061	13,261	1,071	13,392
- central governments or central banks	40	504	57	717
- regional governments or local authorities	19	237	17	211
- public sector entities	3	32	2	20
- multilateral development banks	0	0		
- international organisations				
- institutions	23	282	27	338
- corporate	169	2,109	154	1,921
- of which retail	251	3,137	255	3,181
- secured by mortgages on immovable properties	231	2,887	222	2,777
- in default	9	119	12	155
- associated with particularly high risk	59	741	53	666
- covered bonds				
- institutions and corporates with a short-term credit assessment				
- collective investments undertakings (CIU)				
- equity	209	2,617	195	2,442
- other items	48	596	77	964
<b>Credit Value Adjustment Risk</b>	<b>140</b>	<b>1,751</b>	<b>185</b>	<b>2,308</b>
<b>Market risk</b>	<b>522</b>	<b>6,534</b>	<b>588</b>	<b>7,341</b>
- trading book, Internal Approach	239	2,990	312	3,898
- trading book, Standardised Approach <sup>1</sup>	96	1,209	116	1,447
- banking book, Standardised Approach	187	2,335	160	1,996
<b>Operational risk</b>	<b>1,363</b>	<b>17,031</b>	<b>1,347</b>	<b>16,842</b>
Standardised	1,363	17,031	1,347	16,842
<b>Additional risk exposure amount, Article 3 CRR</b>	<b>80</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
<b>Sub total</b>	<b>11,463</b>	<b>143,294</b>	<b>11,642</b>	<b>145,520</b>
<b>Adjustment for Basel I floor</b>				
Additional capital requirement according to Basel I floor	6,283	78,533	5,995	74,938
<b>Total</b>	<b>17,746</b>	<b>221,827</b>	<b>17,637</b>	<b>220,458</b>

<sup>1</sup> Market Risk - of which trading book, Standardised Approach is restated for Q4 2014

## Note 11, continued

## Minimum Capital Requirement &amp; Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers			Capital Buffers total <sup>1</sup>	Total
		CCoB	CCyB	SII		
Common Equity Tier 1 capital	4.5	2.5	0.4		3.0	5.9
Tier 1 capital	6.0	2.5	0.4		3.0	5.9
Own funds	8.0	2.5	0.4		3.0	5.9
EURm						
Common Equity Tier 1 capital	6,448	3,582	545		4,299	8,427
Tier 1 capital	8,598	3,582	545		4,299	8,427
Own funds	11,464	3,582	545		4,299	8,427

<sup>1</sup> Only the maximum of the SRB and SII is used in the calculation of the total capital buffersCommon Equity Tier 1 available to meet Capital Buffers  
Percentage points of REA

	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital <sup>1</sup>	12.0	11.2

<sup>1</sup> Including profit of the period.

## Capital ratios

Percentage	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital ratio, including profit	16.5	15.7
Tier 1 ratio, including profit	18.5	17.6
Total capital ratio, including profit	21.6	20.6
Common Equity Tier 1 capital ratio, excluding profit	15.9	15.3
Tier 1 ratio, excluding profit	18.0	17.2
Total Capital ratio, excluding profit	21.0	20.3

## Capital ratios including Basel I floor

Percentage	31 Dec 2015	31 Dec 2014
Common Equity Tier 1 capital ratio, including profit	10.8	10.5
Tier 1 ratio, including profit	12.1	11.8
Total capital ratio, including profit	14.1	13.8
Common Equity Tier 1 capital ratio, excluding profit	10.4	10.3
Tier 1 ratio, excluding profit	11.7	11.5
Total Capital ratio, excluding profit	13.7	13.5

Leverage ratio<sup>1,2</sup>

	31 Dec <sup>2</sup> 2015	31 Dec <sup>2</sup> 2014
Tier 1 capital, transitional definition, EURm	26,516	25,382
Leverage ratio exposure, EURm	576,317	590,759
Leverage ratio, percentage	4.6	4.3

<sup>1</sup> Q4 2015 based on end of month. Q4 2014 leverage ratio and volumes based on three month average according to local FSA reporting process<sup>2</sup> Including profit of the period.



## Note 11, continued

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

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm <sup>1</sup>	Of which EAD for off-balance, EURm	Exposure-weighted average risk weight:
Corporate, foundation IRB:	14,593	4,874	29,892	1,016	47,4
of which:					
- rating grades 6	1,189	123	4,383	23	16,0
- rating grades 5	4,122	1,354	9,293	328	31,0
- rating grades 4	5,884	1,934	11,512	481	56,0
- rating grades 3	1,934	928	2,928	147	86,2
- rating grades 2	299	110	680	5	157,4
- rating grades 1	45	25	50	1	176,3
- unrated	634	294	401	14	111,0
- defaulted	486	106	645	17	0,0
Corporate, advanced IRB:	113,869	68,787	142,810	32,922	39,4
of which:					
- rating grades 6	13,538	5,273	14,899	2,561	9,0
- rating grades 5	25,041	27,250	37,945	13,238	23,2
- rating grades 4	51,886	28,684	64,343	13,745	39,3
- rating grades 3	13,741	5,346	16,031	2,613	58,6
- rating grades 2	3,167	1,092	3,154	468	102,8
- rating grades 1	420	91	422	33	128,5
- unrated	1,748	527	1,900	264	91,0
- defaulted	4,328	524	4,116		143,5
Institutions, foundation IRB:	35,268	3,138	43,787	1,083	19,5
of which:					
- rating grades 6	12,274	547	14,318	327	9,7
- rating grades 5	22,223	826	27,292	268	20,5
- rating grades 4	461	1,149	1,725	370	55,3
- rating grades 3	194	211	291	57	112,0
- rating grades 2	67	111	70	23	183,2
- rating grades 1	2	7	4	3	242,9
- unrated	43	287	83	35	139,9
- defaulted	4		4		0,0
Retail, of which secured by real estate:	135,484	5,999	139,859	4,375	9,1
of which:					
- scoring grades A	84,190	4,825	87,768	3,578	3,5
- scoring grades B	30,652	762	31,214	561	8,1
- scoring grades C	12,617	259	12,775	158	16,0
- scoring grades D	3,903	101	3,957	55	30,8
- scoring grades E	1,725	39	1,741	15	62,9
- scoring grades F	822	6	825	3	86,4
- not scored	43	2	44	1	31,0
- defaulted	1,532	5	1,535	4	133,5
Retail, of which other retail:	25,612	12,495	32,546	8,048	30,2
of which:					
- scoring grades A	6,756	6,636	10,850	4,271	9,1
- scoring grades B	6,396	2,953	8,040	1,919	19,1
- scoring grades C	4,091	1,484	4,790	994	31,4
- scoring grades D	2,862	750	3,144	487	37,7
- scoring grades E	2,702	298	2,821	186	40,6
- scoring grades F	1,802	128	1,810	81	54,7
- not scored	101	111	135	33	46,0
- defaulted	902	135	956	77	251,1
Other non credit-obligation assets:	2,613	29	2,300	13	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>	1,193	96	966	77			2,159 173
Equity risk	353	28	220	17			573 45
Foreign exchange risk	209	17			2,335	187	2,544 204
Commodity risk			22	2			22 2
Settlement risk			1	0			1 0
Diversification effect	-644	-52					-644 -52
Stressed Value-at-Risk	1,046	84					1,046 84
Incremental Risk Measure	381	30					381 30
Comprehensive Risk Measure	452	36					452 36
<b>Total</b>	<b>2,990</b>	<b>239</b>	<b>1,209</b>	<b>96</b>	<b>2,335</b>	<b>187</b>	<b>6,534 522</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	Q4 2015	Q4 2014	Jan-Dec 2015	Jan-Dec 2014
Net interest income	-	-	-	28
Net fee and commission income	-	-	-	0
Other operating income	-	-	-	-16
<b>Total operating income</b>	-	-	-	<b>12</b>
Total operating expenses	-	-	-	-30
Net loan losses	-	-	-	-6
<b>Operating profit</b>	-	-	-	<b>-24</b>
Income tax expense	-	-	-	-1
<b>Net profit for the period from discontinued</b>	-	-	-	<b>-25</b>
Net result for the period recognised on the measurement at fair value	-	-	-	-19
Transaction and transition cost (including cost to sell)	-	-	-	-10
<b>Net profit for the period from discontinued operations after measurement at fair value less cost to sell</b>	-	-	-	<b>-54</b>
Basic earnings per share from discontinued operations, EUR	-	-	-	-0.01
Diluted earnings per share from discontinued operations, EUR	-	-	-	-0.01

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

This means that the same accounting policies and methods for computation are followed as compared with the Annual Report 2014, for more information see Note P1 in the Annual Report 2014. For changed accounting policies implemented during 2015, see "Changed accounting policies" below.

### Changed accounting policies

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 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" 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 not yet applied

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. The amendment is effective as from annual periods beginning on or after 1 January 2016. The amendment is endorsed by the EU commission. However, the Swedish accounting laws do not allow the equity method for investments in subsidiaries. Nordea's expectation is that the amendments in IAS 27 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	Q4 2015	Q4 2014	H2 2015	H2 2014	Jan-Dec 2015	Jan-Dec 2014
<b>Operating income</b>						
<i>Interest income</i>	378	445	762	922	1,607	1,942
<i>Interest expense</i>	-251	-292	-504	-598	-1,031	-1,293
Net interest income	127	153	258	324	576	649
<i>Fee and commission income</i>	285	283	533	550	1,094	1,093
<i>Fee and commission expense</i>	-65	-74	-135	-138	-273	-273
Net fee and commission income	220	209	398	412	821	820
Net result from items at fair value	27	72	62	95	136	186
Dividends	1,915	1,982	1,915	1,982	2,176	2,333
Other operating income	346	224	512	362	833	975
<b>Total operating income</b>	<b>2,635</b>	<b>2,640</b>	<b>3,145</b>	<b>3,175</b>	<b>4,542</b>	<b>4,963</b>
<b>Operating expenses</b>						
General administrative expenses:						
Staff costs	-366	-270	-636	-526	-1,196	-1,070
Other expenses	-250	-240	-438	-444	-851	-904
Depreciation, amortisation and impairment charges of tangible and intangible assets	-43	-32	-78	-196	-140	-261
<b>Total operating expenses</b>	<b>-659</b>	<b>-542</b>	<b>-1,152</b>	<b>-1,166</b>	<b>-2,187</b>	<b>-2,235</b>
<b>Profit before loan losses</b>	<b>1,976</b>	<b>2,098</b>	<b>1,993</b>	<b>2,009</b>	<b>2,355</b>	<b>2,728</b>
Net loan losses	-51	-38	-116	-57	-143	-98
Impairment of securities held as financial non-current assets	-9	-15	-9	-15	-9	-15
<b>Operating profit</b>	<b>1,916</b>	<b>2,045</b>	<b>1,868</b>	<b>1,937</b>	<b>2,203</b>	<b>2,615</b>
Appropriations	2	-1	2	-1	2	-1
Income tax expense <sup>1</sup>	-107	-177	-191	-177	-285	-189
<b>Net profit for the period</b>	<b>1,811</b>	<b>1,867</b>	<b>1,679</b>	<b>1,759</b>	<b>1,920</b>	<b>2,425</b>

<sup>1</sup> Includes an adjustment related to prior years amounting to EUR 94m in Q2 2015.

## Balance sheet

EURm	31 Dec 2015	31 Dec 2014
<b>Assets</b>		
Cash and balances with central banks	75	931
Treasury bills	6,905	5,035
Loans to credit institutions	90,009	86,704
Loans to the public	45,820	39,809
Interest-bearing securities	12,163	11,321
Financial instruments pledged as collateral	0	43
Shares	2,363	6,061
Derivatives	5,011	5,981
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1	1
Investments in group undertakings	19,394	16,986
Investments in associated undertakings	7	7
Intangible assets	1,091	758
Properties and equipment	138	119
Deferred tax assets	26	14
Current tax assets	3	50
Other assets	4,387	3,727
Prepaid expenses and accrued income	780	884
<b>Total assets</b>	<b>188,173</b>	<b>178,431</b>
<b>Liabilities</b>		
Deposits by credit institutions	19,069	27,452
Deposits and borrowings from the public	61,043	49,367
Debt securities in issue	68,908	63,280
Derivatives	4,180	4,653
Fair value changes of the hedged items in portfolio hedge of interest rate risk	1,158	1,368
Current tax liabilities	34	4
Other liabilities	3,531	2,895
Accrued expenses and prepaid income	759	642
Deferred tax liabilities	0	0
Provisions	301	206
Retirement benefit obligations	159	171
Subordinated liabilities	8,951	7,728
<b>Total liabilities</b>	<b>168,093</b>	<b>157,766</b>
<b>Untaxed reserves</b>	<b>2</b>	<b>4</b>
<b>Equity</b>		
Share capital	4,050	4,050
Share premium reserve	1,080	1,080
Other reserves	-21	-5
Retained earnings	14,969	15,536
<b>Total equity</b>	<b>20,078</b>	<b>20,661</b>
<b>Total liabilities and equity</b>	<b>188,173</b>	<b>178,431</b>
Assets pledged as security for own liabilities	1,208	3,946
Other assets pledged	7,686	9,238
Contingent liabilities	72,402	71,103
Credit commitments <sup>1</sup>	27,927	23,824

<sup>1</sup> Including unutilised portion of approved overdraft facilities of EUR 16,658m (31 Dec 2014: EUR 14,114m).

**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**

<b>EURm</b>	<b>31 Dec<sup>3</sup> 2015</b>	<b>31 Dec<sup>3</sup> 2014</b>
Calculation of own funds		
Equity in the consolidated situation	20 079	20 661
Proposed/actual dividend	-2 584	-2 501
Common Equity Tier 1 capital before regulatory adjustments	17 495	18 160
Deferred tax assets		
Intangible assets	-1 091	-758
IRB provisions shortfall (-)		
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities <sup>1</sup>		
Other items, net	-31	-238
Total regulatory adjustments to Common Equity Tier 1 capital	-1 122	-996
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>16 373</b>	<b>17 164</b>
Additional Tier 1 capital before regulatory adjustments	2 971	2 800
Total regulatory adjustments to Additional Tier 1 capital	-30	-32
Additional Tier 1 capital	2 941	2 768
<b>Tier 1 capital (net after deduction)</b>	<b>19 314</b>	<b>19 932</b>
Tier 2 capital before regulatory adjustments	5 686	4 731
IRB provisions excess (+)/shortfall (-)	108	55
Deduction for investments in credit institutions (50%)		
Deductions for investments in insurance companies	-1 501	-505
Pension assets in excess of related liabilities		
Other items, net	-58	-45
Total regulatory adjustments to Tier 2 capital	-1 451	-495
Tier 2 capital	4 235	4 236
<b>Own funds (net after deduction)<sup>2</sup></b>	<b>23 549</b>	<b>24 168</b>

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

<sup>2</sup> Own Funds adjusted for IRB provision, i.e. adjusted own funds equal 23441m by 31 Dec 2015

<sup>3</sup> including profit of the period

**Own Funds excluding profit**

<b>EURm</b>	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
Common Equity Tier 1 capital, excluding profit	17 025	17 258
Total Own Funds, excluding profit	24 201	24 262



## Note 1, continued

## Minimum capital requirement and REA

	31 Dec 2015 Minimum Capital requirement	31 Dec 2015 REA	31 Dec 2014 Minimum Capital requirement	31 Dec 2014 REA
<b>EURm</b>				
<b>Credit risk</b>	<b>6,346</b>	<b>79,328</b>	<b>5,759</b>	<b>71,986</b>
- of which counterparty credit risk	133	1,660	100	1,249
IRB	2,849	35,613	2,674	33,429
- corporate	2,367	29,584	2,130	26,622
- <i>advanced</i>	1,718	21,467	1,461	18,257
- <i>foundation</i>	649	8,117	669	8,365
- institutions	255	3,195	302	3,777
- retail	125	1,562	148	1,854
- <i>secured by immovable property collateral</i>	7	83	7	86
- <i>other retail</i>	118	1,479	141	1,768
- other	102	1,272	94	1,176
Standardised	3,497	43,715	3,085	38,557
- central governments or central banks	5	67	14	174
- regional governments or local authorities	2	19	1	8
- public sector entities				
- multilateral development banks				
- international organisations				
- institutions	1,279	15,986	1,319	16,481
- corporate	42	529	57	718
- of which retail	26	324	28	345
- secured by mortgages on immovable properties	212	2,646	202	2,530
- in default	3	43	5	60
- associated with particularly high risk				
- covered bonds	0	0	0	0
- institutions and corporates with a short-term credit assessment				
- collective investments undertakings (CIU)				
- equity	1,925	24,065	1,451	18,139
- other items	3	36	8	102
<b>Credit Value Adjustment Risk</b>	<b>13</b>	<b>156</b>	<b>14</b>	<b>172</b>
<b>Market risk</b>	<b>210</b>	<b>2,623</b>	<b>218</b>	<b>2,724</b>
- trading book, Internal Approach	23	288	42	524
- trading book, Standardised Approach <sup>1</sup>			2	26
- banking book, Standardised Approach	187	2,335	174	2,174
<b>Operational risk</b>	<b>378</b>	<b>4,730</b>	<b>322</b>	<b>4,028</b>
Standardised	378	4,730	322	4,028
<b>Additional risk exposure amount, Article 3 CRR</b>	<b>16</b>	<b>195</b>		
<b>Sub total</b>	<b>6,963</b>	<b>87,032</b>	<b>6,313</b>	<b>78,910</b>

## Adjustment for Basel I floor

Additional capital requirement according to Basel I floor

<b>Total</b>	<b>6,963</b>	<b>87,032</b>	<b>6,313</b>	<b>78,910</b>
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<sup>1</sup>Market risk - of which trading book, Standardised Approach, have been restated in Q4 2014

## Note 1, continued

## Minimum Capital Requirement &amp; Capital Buffers

Percentage	Minimum Capital requirement	Capital Buffers			Capital Buffers total	Total
		CCoB	CCyB	SII		
Common Equity Tier 1 capital	4.5	2.5	0.4		2.9	7.4
Tier 1 capital	6.0	2.5	0.4		2.9	8.9
Own funds	8.0	2.5	0.4		2.9	10.9

## EURm

Common Equity Tier 1 capital	3,916	2,176	361		2,537	6,453
Tier 1 capital	5,222	2,176	361		2,537	7,759
Own funds	6,963	2,176	361		2,537	9,500

## Common Equity Tier 1 available to meet Capital Buffers

	31 Dec <sup>1</sup>	31 Dec <sup>1</sup>
Percentage points of REA	2015	2014
Common Equity Tier 1 capital <sup>1</sup>	14.3	17.3

<sup>1</sup> Including profit of the period.

## Capital ratios

	31 Dec 2015	31 Dec 2014
Percentage		
Common Equity Tier 1 capital ratio, including profit	18.8	21.8
Tier 1 ratio, including profit	22.2	25.3
Total capital ratio, including profit	27.1	30.6
Common Equity Tier 1 capital ratio, excluding profit	19.6	21.9
Tier 1 ratio, excluding profit	22.9	25.4
Total Capital ratio, excluding profit	27.8	30.7

## Capital ratios including Basel I floor

	31 Dec 2015	31 Dec 2014
Percentage		
Common Equity Tier 1 capital ratio, including profit	18.8	21.8
Tier 1 ratio, including profit	22.2	25.3
Total capital ratio, including profit	26.9	30.6
Common Equity Tier 1 capital ratio, excluding profit	19.6	21.9
Tier 1 ratio, excluding profit	22.9	25.4
Total Capital ratio, excluding profit	27.7	30.7

Leverage ratio<sup>1</sup>

	31 Dec <sup>2</sup> 2015	31 Dec <sup>2</sup> 2014
Tier 1 capital, transitional definition, EURm	19,314	20,047
Leverage ratio exposure, EURm	224,816	225,148
Leverage ratio, percentage	8.6	8.9

<sup>1</sup> Q4 2015 based on end of month. Q4 2014 leverage ratio and volumes based on three month average according to local FSA reporting process<sup>2</sup> Including profit of the period.

## Note 1, continued

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

	On-balance exposure, EURm	Off-balance exposure, EURm	Exposure value (EAD), EURm <sup>1</sup>	Of which EAD for off-balance, EURm	Exposure-weighted average risk weight:
Corporate, foundation IRB:	4,113	11,802	16,189	10,880	50,1
of which:					
- rating grades 6	790	269	1,231	250	17,4
- rating grades 5	1,391	3,994	5,641	3,576	33,8
- rating grades 4	1,221	6,231	7,476	5,836	58,7
- rating grades 3	270	1,107	1,261	1,030	94,2
- rating grades 2	88	114	152	108	163,8
- rating grades 1	8	9	15	7	214,9
- unrated	98	4	106	1	129,3
- defaulted	247	74	307	72	0,0
Corporate, advanced IRB:	26,506	34,762	50,129	24,131	42,8
of which:					
- rating grades 6	573	1,820	1,653	1,082	12,3
- rating grades 5	6,708	13,293	15,547	8,841	24,9
- rating grades 4	14,885	15,727	25,680	11,112	43,1
- rating grades 3	2,850	3,017	5,193	2,419	68,4
- rating grades 2	407	391	670	358	120,5
- rating grades 1	65	47	101	37	139,7
- unrated	668	229	814	159	115,4
- defaulted	350	238	471	123	189,4
Institutions, foundation IRB:	14,561	838	15,770	324	20,3
of which:					
- rating grades 6	6,522	72	6,817	15	8,9
- rating grades 5	7,900	280	8,565	72	27,4
- rating grades 4	109	342	361	233	56,7
- rating grades 3	8	9	10	1	112,0
- rating grades 2	7	0	0	0	226,3
- rating grades 1	0	0	0	0	294,3
- unrated	15	135	17	3	140,4
- defaulted					
Retail, of which secured by real estate:	829	285	1,043	214	8,0
of which:					
- scoring grades A	338	140	444	106	2,9
- scoring grades B	277	81	337	60	6,8
- scoring grades C	155	53	196	40	13,5
- scoring grades D	50	10	57	7	24,5
- scoring grades E					
- scoring grades F	2	0	2	0	64,9
- not scored	1	1	1	1	22,4
- defaulted	6	0	6	0	88,6
Retail, of which other retail:	3,401	2,745	5,345	1,945	27,7
of which:					
- scoring grades A	1,099	1,520	2,195	1,096	10,6
- scoring grades B	1,158	650	1,620	463	23,0
- scoring grades C	610	355	851	241	37,7
- scoring grades D	275	153	374	100	46,9
- scoring grades E	129	41	156	28	52,6
- scoring grades F	70	12	79	8	80,4
- not scored	6	7	11	4	55,3
- defaulted	54	7	59	5	381,6
Other non credit-obligation assets:	1,269	0	1,272	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.

<sup>1</sup> 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>	16	1					16 1
Equity risk	122	10					122 10
Foreign exchange risk	23	2			2,335	187	2,358 189
Commodity risk							
Settlement risk					0	0	0 0
Diversification effect	-9	-1					-9 -1
Stressed Value-at-Risk	136	11					136 11
Incremental Risk Measure	0	0					0 0
Comprehensive Risk Measure	0	0					0 0
<b>Total</b>	<b>288</b>	<b>23</b>			<b>2,335</b>	<b>187</b>	<b>2,623</b> <b>210</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.

## 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		
A.1	<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.
A.2	<b>Consent:</b>	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "<b>Public Offer</b>".</p> <p><i>Not applicable; the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency)./The Issuer consents to the use of this Base Prospectus in connection with a Public Offer of the Notes by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) on the following basis:(a) the relevant Public Offer must occur during the period</i></p>

	<p>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: [ ]].</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>
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Section B – Issuer		
<b>B.1</b>	<p><b>The legal name of the Issuer:</b></p> <p><b>The commercial name of the Issuer:</b></p>	<p>Nordea Bank AB (publ) ("<b>Nordea Bank AB</b>" or the "<b>Issuer</b>").</p> <p>Nordea.</p>
<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>	<p>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.</p>
<b>B.4b</b>	<b>Trends:</b>	<p>Not applicable. There are no clear trends affecting the Issuer or the markets in which it and the Nordea Group operate.</p>
<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>

		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.
<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 year ending 31 December 2015 set out in the Annex to this Supplement and the notes thereto <sup>i</sup> .

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<sup>i</sup> By virtue of the Supplement dated 5 February 2016, selected key information for the year ending 31 December 2015 accompanied by comparative data from the same period in the prior financial year has been included.

		<b>Year ended 31 December</b>		
		<b>2015</b>	<b>2014<sup>ii</sup></b>	<b>2013</b>
		<i>(unaudited)</i>		
		(EUR millions)		
		<b>Income Statement</b>		
	Total operating income .....	10,140	10,241	9,891
	Net loan losses .....	-479	-534	-735
	Net profit for the period from continuing operations <sup>iii</sup> .....	3,662	3,357	3,107
	Net profit for the period .....	3,662	3,332	3,116
		<b>Balance Sheet</b>		
	Total assets .....	646,868	669,342	630,434
	Total liabilities .....	615,836	639,505	601,225
	Total equity .....	31,032	29,837	29,209
	Total liabilities and equity .....	646,868	669,342	630,434
		<b>Cash Flow Statement</b>		
	Cash flow from operating activities before changes in operating assets and liabilities .....	6,472	11,456	7,607
	Cash flow from operating activities .....	196	-10,824	6,315
	Cash flow from investing activities .....	-522	3,254	572
	Cash flow from financing activities .....	-1,746	-1,040	-1,927
	Cash flow for the period .....	-2,072	-8,610	4,960
	Change .....	-2,072	-8,610	4,960
		<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 31 December 2015<sup>iv</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</b>	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		

<sup>ii</sup> By virtue of the Supplement dated 27 July 2015, certain items were restated for the year ended 31 December 2014 in the Second Quarter Report 2015.

<sup>iii</sup> By virtue of the Supplement dated 5 February 2016, the Issuer has introduced "Net profit for the period from continuing operations" from its Income Statement into its Selected key financial information.

<sup>iv</sup> By virtue of the Supplement dated 5 February 2016, the date since which there has been no significant change in the financial or trading position of the Issuer has been updated from 30 September 2015 to 31 December 2015.

	<b>activities:</b>	Nordea Group's organisation includes the following two Group functions: Group Corporate Centre and Group Risk Management.  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.								
<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>	<p>As of the date of the Base Prospectus, the long term (senior) debt ratings of the Issuer are:</p> <table><tr><th><b>Rating Agency</b></th><th><b>Rating</b></th></tr><tr><td>Moody's Investors Service Limited</td><td>Aa3<sup>v</sup></td></tr><tr><td>Standard &amp; Poor's Credit Market Services Europe Limited</td><td>AA- (negative outlook)</td></tr><tr><td>Fitch Ratings Limited</td><td>AA-</td></tr></table> <p><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></p> <p><i>Standard &amp; Poor's Credit Market Services Europe Limited: [ ].</i></p> <p><i>Moody's Investors Service Limited: [ ].</i></p> <p><i>Fitch Ratings Limited: [ ].</i></p>	<b>Rating Agency</b>	<b>Rating</b>	Moody's Investors Service Limited	Aa3 <sup>v</sup>	Standard & Poor's Credit Market Services Europe Limited	AA- (negative outlook)	Fitch Ratings Limited	AA-
<b>Rating Agency</b>	<b>Rating</b>									
Moody's Investors Service Limited	Aa3 <sup>v</sup>									
Standard & Poor's Credit Market Services Europe Limited	AA- (negative outlook)									
Fitch Ratings Limited	AA-									

<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</p>

<sup>v</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".



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.

Global Notes may be issued in Classic Global Note or New Global Note form, as specified in the relevant Final Terms.

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.

Notes in bearer form will not be exchangeable for Notes in registered form and Notes in registered form will not be exchangeable for Notes in bearer form.

*The Notes are [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].*

**Issuance in Series:** Notes are issued in series (each a "Series") and Notes of each Series will all be subject to identical terms (except issue price, issue date and interest commencement date, which may or may not be identical) whether as to currency, denomination, interest or maturity or otherwise, save that a Series may comprise Notes in bearer form and in registered form. Further Notes may be issued as part of an existing Series (each a "Tranche"), which 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.

*The Series number of the Notes is [ ]. [The Tranche number is [ ].]*

**Security Identification Number(s):** 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

		<p>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 8 (<i>Taxation</i>).</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 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 17 (<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 17 (Substitution and Variation) is [not] applicable to the Notes.</i></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	The rights attaching to the securities (continued), including information as to interest, maturity, yield and the representative of the Holders:	<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 5 (<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><i>Maturities:</i></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 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><i>Redemption:</i></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><i>Optional Redemption:</i></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</p>
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		<p>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 8. 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 14 (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 6, together with accrued interest (if 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>
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<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>

Risks related to the European economic crisis have had and, despite the recent period of moderate stabilisation, may continue to have, a negative impact on global economic activity and the financial markets. If these conditions continue to persist, or should there be any further turbulence in these or other markets, this could have a material adverse effect on the Nordea Group's ability to access capital and liquidity on financial terms acceptable to the Nordea Group.

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 time require significant costs.

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

		<p>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> </ul>

- The Notes may be issued at a substantial discount or premium.
- The Notes are subject to risks related to exchange rates and exchange controls.
- Noteholders are subject to credit risk on the Issuer.
- The Notes may be redeemed early.
- 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

		<p>Subordinated Notes.</p> <ul style="list-style-type: none"> <li>• Remedies in case of default on Subordinated Notes are severely limited.</li> <li>• The Issuer could, in certain circumstances, substitute or vary the terms of Subordinated Notes.</li> </ul> <p>In addition to the above, there are risks specific to Notes denominated in Renminbi, including:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• Investment in the Renminbi Notes is subject to exchange rate risks.</li> <li>• Investment in the Renminbi Notes is subject to currency risk.</li> <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</i>

		<i>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 "<b>Dealers</b>").</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>	<p>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 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 2013, which are set out in Annex 2 to the Base Prospectus, the Nordea Group's audited consolidated financial statements for the year ending 31 December 2014, which are set out in Annex 1 to the Base Prospectus and the Nordea Group's unaudited consolidated financial statements for the year ending 31 December 2015, which are set out in the Annex to this Supplement.

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		
	2015	2014 <sup>vi</sup>	2013
	(unaudited)		
	(EUR millions)		
Interest income .....	8,549	9,995	10,604
Interest expense .....	-3,439	-4,513	-5,079
Net interest income.....	5,110	5,482	5,525
Fee and commission income .....	4,035	3,799	3,574
Fee and commission expense .....	-1,010	-957	-932
Net fee and commission income .....	3,025	2,842	2,642
Net result from items at fair value .....	1,703	1,425	1,539
Profit from companies accounted for under the equity method .....	39	18	79
Other operating income .....	263	474	106
Total operating income .....	10,140	10,241	9,891
Operating expenses			
General administrative expenses:			
Staff costs .....	-3,263	-3,159	-2,978
Other expenses .....	-1,485	-1,656	-1,835
Depreciation, amortisation and impairment charges of tangible and intangible assets ...	-209	-585	-227
Total operating expenses .....	-4,957	-5,400	-5,040
Profit before loan losses .....	5,183	4,841	4,851
Net loan losses .....	-479	-534	-735
Operating profit .....	4,704	4,307	4,116
Income tax expense .....	-1,042	-950	-1,009
Net profit for the period from continuing operations.....	3,662	3,357	3,107
Net profit for the period from discontinued operations, after tax....	-	-25	9
Net profit for the period .....	3,662	3,332	3,116
Attributable to:			
Shareholders of Nordea Bank AB (publ).....	3,662	3,332	3,116
Non-controlling interests.....	-	-	-

<sup>vi</sup> Certain items were restated for the year ended 31 December 2014 in the Second Quarter Report 2015.

	Group		
	Year ended 31 December		
	2015	2014 <sup>vi</sup>	2013
Total.....	3,662	3,332	3,116

## Balance Sheet

	Group		
	31 December		
	2015	2014	2013
	(unaudited)		
	(EUR millions)		
Assets			
Cash and balances with central banks.....	35,500	31,067	33,529
Loans to central banks.....	13,224	6,958	11,769
Loans to credit institutions.....	10,959	12,217	10,743
Loans to the public.....	340,920	348,085	342,451
Interest-bearing securities.....	88,176	87,110	87,314
Financial instruments pledged as collateral.....	8,341	12,151	9,575
Shares.....	40,745	39,749	33,271
Derivatives.....	80,741	105,119	70,992
Fair value changes of the hedged items in portfolio hedge of interest rate risk.....	151	256	203
Investments in associated undertakings.....	515	487	630
Intangible assets.....	3,208	2,908	3,246
Property and equipment.....	557	509	431
Investment property.....	3,165	3,227	3,524
Deferred tax assets.....	76	130	62
Current tax assets.....	87	132	31
Retirement benefit assets.....	377	42	321
Other assets.....	18,600	17,581	11,064
Prepaid expenses and accrued income.....	1,526	1,614	2,383
Assets held for sale.....	-	-	8,895
Total assets.....	646,868	669,342	630,434
Liabilities			
Deposits by credit institutions.....	44,209	56,322	59,090
Deposits and borrowings from the public.....	193,342	197,254	200,743
Liabilities to policyholders.....	55,491	51,843	47,226
Debt securities in issue.....	201,937	194,274	185,602
Derivatives.....	79,505	97,340	65,924
Fair value changes of the hedged items in portfolio hedge of interest rate risk.....	2,594	3,418	1,734
Current tax liabilities.....	225	368	303
Other liabilities.....	25,756	26,973	24,737
Accrued expenses and prepaid income.....	1,805	1,943	3,677
Deferred tax liabilities.....	1,028	983	935
Provisions.....	415	305	177
Retirement benefit obligations.....	329	540	334
Subordinated liabilities.....	9,200	7,942	6,545
Liabilities held for sale.....	-	-	4,198
Total liabilities.....	615,836	639,505	601,225
Equity			
Non-controlling interests.....	1	2	2
Share capital.....	4,050	4,050	4,050
Share premium reserve.....	1,080	1,080	1,080
Other reserves.....	-1,188	-1,201	-159
Retained earnings.....	27,089	25,906	24,236
Total equity.....	31,032	29,837	29,209
Total liabilities and equity.....	646,868	669,342	630,434



	<b>Group</b>		
	<b>31 December</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
Assets pledged as security for own liabilities .....	184,795	163,041	174,418
Other assets pledged .....	9,038	11,265	7,467
Contingent liabilities .....	22,569	22,017	20,870
Credit commitments .....	71,340	74,291	78,332
Other commitments .....	3,323	1,644	1,267

## Cash Flow Statement

	<b>Group</b>		
	<b>Year ended 31 December</b>		
	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<i>(unaudited)</i>		
	<i>(EUR millions)</i>		
Operating activities			
Operating profit .....	4,704	4,307	4,116
Profit for the period from discontinued operations, after tax .....	-	-25	9
Adjustment for items not included in cash flow .....	2,824	8,140	4,492
Income taxes paid .....	-1,056	-966	-1,010
Cash flow from operating activities before changes in operating assets and liabilities .....	6,472	11,456	7,607
Cash flow from operating activities .....	196	-10,824	6,315
Cash flow from investing activities .....	-522	3,254	572
Cash flow from financing activities .....	-1,746	-1,040	-1,927
Cash flow for the period .....	-2,072	-8,610	4,960
Cash and cash equivalents at the beginning of period .....	39,683	45,670	42,808
Translation differences .....	2,589	2,623	-2,098
Cash and cash equivalents at the end of period .....	40,200	39,683	45,670
Change .....	-2,072	-8,610	4,960