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IMPORTANT: You must read the following before continuing. The following applies to the merger prospectus (the “**Prospectus**”) following this notice, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications thereto, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION, REGULATORY APPROVAL, EXEMPTION FROM REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION (TOGETHER, THE “**RESTRICTED JURISDICTIONS**”). NORDEA FINLAND REQUIRES PERSONS INTO WHOSE POSSESSION THE PROSPECTUS COMES TO INFORM THEMSELVES OF AND OBSERVE ALL SUCH RESTRICTIONS. NONE OF NORDEA FINLAND AND NORDEA SWEDEN (AS DEFINED IN THE PROSPECTUS) ACCEPT ANY LEGAL RESPONSIBILITY FOR ANY VIOLATION BY ANY PERSON, WHETHER OR NOT A SHAREHOLDER OF NORDEA SWEDEN, OF ANY SUCH RESTRICTIONS.

THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS.

Confirmation of your representation: In order to be eligible to view the Prospectus or to make any investment decision with respect to the securities, investors must be located outside of a Restricted Jurisdiction. The Prospectus is being provided to you at your request. By accessing the Prospectus, you shall be deemed to have represented to Nordea Finland that:

- (1) you consent to delivery of the Prospectus by electronic transmission;
- (2) you are a person who is permitted under applicable law and regulation to receive the Prospectus; and
- (3) you are not located in a Restricted Jurisdiction.

You are reminded that the Prospectus has been provided to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person. The materials relating to the Merger and the Listing (both as defined in the Prospectus) do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Under no circumstances shall the Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Prospectus has been accessed by you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and, consequently, none of Nordea Finland, Nordea Sweden, any of Nordea Finland’s or Nordea Sweden’s subsidiaries or any of their respective directors, officers, employers, employees or agents, or any affiliate of any such person, accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and any hard copy version of the Prospectus.

Nordea

Information to the shareholders of
NORDEA BANK AB (PUBL)

regarding the proposed merger of Nordea Bank AB (publ) into

NORDEA HOLDING ABP

(to be renamed to Nordea Bank Abp)

and the subsequent listing of the shares in Nordea Holding Abp on
Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen

The board of directors of Nordea Bank AB (publ) (“**Nordea Sweden**”), a public limited liability banking company registered under the laws of Sweden, and the board of directors of its wholly owned subsidiary Nordea Holding Abp (“**Nordea Finland**”), a public limited liability company registered under the laws of Finland, have on 25 October 2017 signed a merger plan (the “**Merger Plan**”) according to which Nordea Sweden is proposed to be merged into Nordea Finland through a cross-border reversed merger by way of absorption (the “**Merger**”). The Merger Plan is included as Annex J to this merger prospectus (the “**Prospectus**”). The shareholders of Nordea Sweden will resolve on the approval of the Merger Plan at the annual general meeting of shareholders (“**AGM**”) of Nordea Sweden scheduled to be held on 15 March 2018 and the shareholder of Nordea Finland (*i.e.*, Nordea Sweden) will approve the Merger Plan at the extraordinary general meeting of shareholders (“**EGM**”) of Nordea Finland to be held on 15 March 2018. The board of directors of Nordea Sweden recommends that the AGM of Nordea Sweden approves the Merger Plan.

The completion of the Merger is subject to, among other conditions, approval of the Merger Plan by the AGM of Nordea Sweden; the receipt of all authorisations, consents and other decisions by relevant authorities, including the European Central Bank (the “**ECB**”) granting a credit institution licence to Nordea Finland; internal approvals; and the registration of the completion of the Merger with the trade register maintained by the Finnish Patent and Registration Office (the “**Finnish Trade Register**”). It is estimated that the completion of the Merger will be registered with the Finnish Trade Register (the “**Completion Date**”) during the second half of 2018, tentatively on 1 October 2018. Nordea Sweden will automatically dissolve on the Completion Date as a result of the Merger.

Pursuant to the Merger Plan, the shareholders of Nordea Sweden will receive as merger consideration one new share in Nordea Finland (ISIN: FI4000297767) for each share in Nordea Sweden (ISIN: SE0000427361, and in respect of the Nordea Sweden FDRs (as defined below), ISIN: FI0009902530) that they own as of the Completion Date (the “**Merger Consideration**”). The exchange ratio has been determined based on the fact that Nordea Finland is a wholly owned subsidiary of Nordea Sweden without any operations of its own, which means that the value of all shares in Nordea Finland after the Merger will reflect the value of all shares in Nordea Sweden prior to the Merger. If the Merger Plan is approved by the AGM of Nordea Sweden, Nordea Sweden’s shareholders will not need to take any action in order to receive the Merger Consideration. The Merger Consideration will be distributed to the shareholders of Nordea Sweden on or about the Completion Date.

The shares in Nordea Finland will entitle the holders to dividends and other distributions of funds by Nordea Finland as well as other shareholder rights as of the Completion Date.

Nasdaq Helsinki Ltd (“**Nasdaq Helsinki**”), Nasdaq Stockholm AB (“**Nasdaq Stockholm**”) and Nasdaq Copenhagen A/S (“**Nasdaq Copenhagen**”) have, subject to the conditions set out under “*Merger of Nordea Sweden into Nordea Finland—Merger Consideration—Listing of the Merger Consideration Shares*”, approved the listing of the shares in Nordea Finland on their official lists (the “**Listing**”) as from the Completion Date. At the same time, the listing of the shares in Nordea Sweden on Nasdaq Stockholm and Nasdaq Copenhagen as well as the listing of the Finnish depository receipts regarding the shares in Nordea Sweden (the “**Nordea Sweden FDRs**”) on Nasdaq Helsinki will cease. Trading in the shares in Nordea Finland on the official lists of Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen is expected to commence on or about the Completion Date.

This Prospectus has been prepared for the purposes of the execution of the Merger and the Listing of the shares in Nordea Finland. Information on the responsibility of Nordea Finland to supplement this Prospectus is included in “*Important Information*”.

The shareholders of Nordea Sweden should carefully consider the contents of this Prospectus in its entirety and in particular the section “Risk Factors”.

This Prospectus may not be sent by any medium to any person in Australia, Canada, China, Hong Kong or any other jurisdiction in which the offer to sell or the solicitation of an offer to buy any shares in Nordea Finland would not be permissible. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy any shares in Nordea Finland in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, regulatory approval, exemption from registration or qualification under the securities laws of any such jurisdiction (together, the “**Restricted Jurisdictions**”). For more information, see “*Certain Matters—Notice to Nordea Sweden Shareholders*”.

The date of this Prospectus is 16 February 2018.

IMPORTANT INFORMATION

In this Prospectus, references to (i) “**Nordea Finland**” are to Nordea Holding Abp (to be renamed Nordea Bank Abp no later than on the Completion Date); (ii) “**Nordea Sweden**” are to Nordea Bank AB (publ); (iii) “**Nordea**” are, depending on the context, to Nordea Sweden prior to the completion of the Merger and Nordea Finland following the completion of the Merger; and (iv) “**Nordea Group**” or “**Group**” are to the group of companies for which Nordea is the parent company, except where it is clear from the context that the term means Nordea Sweden, Nordea Finland, any other particular subsidiary or a group of subsidiaries.

Nordea Finland has prepared this “**Prospectus**” in accordance with the Finnish Securities Markets Act (Fi: *arvopaperimarkkinalaki (746/2012)*) (“**Finnish Securities Markets Act**”), Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, (Annexes I, III and XXII) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the “**Prospectus Directive**”), the Finnish Ministry of Finance Decree on prospectuses referred to in Chapters 3 through 5 of the Finnish Securities Markets Act (Fi: *Valtiovarainministeriön asetus arvopaperimarkkinalain 3–5 luvussa tarkoitettuista esitteistä (1019/2012)*) and the regulations and guidelines issued by the Finnish Financial Supervisory Authority (the “**FFSA**”). The FFSA has approved this Prospectus; however, it is not responsible for the accuracy of the information presented herein. The record number of the FFSA’s approval of this Prospectus is FIVA 1/02.05.04/2018. The FFSA has consented to Nordea Finland preparing this Prospectus in the English language only.

This prospectus includes Finnish, Swedish, Danish, Norwegian, French and Spanish language translations of the summary and will be, in accordance with the Prospectus Directive, notified to the Swedish Financial Supervisory Authority (the “**SFSA**”) for use in Sweden, the Danish Financial Supervisory Authority (the “**DFSA**”) for use in Denmark, the Norwegian Financial Supervisory Authority (the “**NFSA**”) for use in Norway, the Financial Conduct Authority (FCA) for use in the United Kingdom, the Autorité des marchés financiers (AMF) for use in France and the Spanish National Securities Market Commission for use in Spain. The Finnish, Swedish, Danish, Norwegian, French and Spanish language summaries are translations of the approved English language summary made under the sole responsibility of Nordea Finland.

Nordea Sweden and Nordea Finland have applied to the Swedish Securities Council (Sw: *Aktiemarknadsnämnden*) for an exemption from the application of certain provisions of Nasdaq Stockholm’s takeover rules in respect of the Merger, which the Swedish Securities Council granted in its statement AMN 2017:41.

Nordea Finland has appointed Nordea Bank AB (publ), Finnish Branch to act as manager in connection with the Listing (the “**Manager**”). The address of the Manager is Satamaradankatu 5, FI-00020 Nordea, Finland.

No person is or has been authorised to give any information or to make any representation in connection with the Merger or the Listing other than those contained in this Prospectus and, if given or made, such information or representation must not be considered as having been so authorised. Information given or representations made in connection with the Merger or the Listing that are inconsistent with those contained in this Prospectus are invalid.

The information contained herein is current as at the date of this Prospectus. Neither the delivery of this Prospectus nor the Listing means that no adverse changes have occurred or that no events have happened that may or could have an adverse effect on the business, financial condition and results of operations of Nordea Sweden, Nordea Finland or the Nordea Group. However, prior to the Listing, if a fault or omission in this Prospectus or material new information is discovered that may be of material importance to investors, this Prospectus will be supplemented in accordance with the Finnish Securities Markets Act, including, for example, in respect of the interim reports and interim management statements covering the Nordea Group’s financial results published prior to the completion of the Merger. See “*Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements*”.

The distribution of this Prospectus may, in certain jurisdictions, be restricted by law. No actions have been taken to register or qualify the shares in Nordea Finland for public offer in any jurisdiction other than Finland, Sweden, Denmark, Norway, the United Kingdom, France and Spain. Nordea Finland requires persons into whose possession this Prospectus comes to inform themselves of and observe all such restrictions. None of Nordea Finland, Nordea Sweden and the Manager accept any legal responsibility for any violation by any person, whether or not a shareholder of Nordea Sweden, of any such restrictions. Accordingly, neither this Prospectus nor any advertisement or any other materials relating to the Merger or the Listing may be redistributed in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See also “*Certain Matters—Notice to Nordea Sweden Shareholders*”.

Any disputes arising in connection with this Prospectus will be subject to the laws of Finland and settled exclusively by a court of competent jurisdiction in Finland.

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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'.

Section A – Introduction and Warnings

Element	Disclosure requirement	Disclosure
A.1	Introduction	<i>This summary should be read as an introduction to this Prospectus. Any decision to invest in the shares in Nordea Finland should be based on a consideration of this Prospectus as a whole by prospective investors. Where a claim relating to the information contained in this 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 this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or if it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the shares in Nordea Finland.</i>
A.2	Consent for subsequent resale or final placement of securities/offer period/conditions of the consent	Not applicable.

Section B – Issuer

Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	<p>As of the date of this Prospectus, Nordea Bank AB (publ) (<i>i.e.</i>, Nordea Sweden) is the parent company of the Nordea Group. On 6 September 2017, the board of directors of Nordea Sweden decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, a country that is participating in the European Union's (the "EU") banking union, which Nordea Sweden expects will promote the interests of customers, shareholders and employees. See Section E.2a below for information on the reasons behind the decision to re-domicile and expected benefits related to the re-domiciliation.</p> <p>The re-domiciliation is proposed to be carried out through the Merger, that is, a cross-border reversed merger by way of absorption through which Nordea Sweden, the current parent company of the Nordea Group, will be merged into Nordea Holding Abp (Nordea Holding Oyj in Finnish), a newly established Finnish subsidiary of Nordea Sweden. Nordea Finland will change its name to Nordea Bank Abp no later than on the Completion Date. Following the completion of the Merger, the parent company of the Nordea Group will be Nordea Bank Abp (<i>i.e.</i>, Nordea Finland).</p> <p>The completion of the Merger is subject to, among other conditions, the Merger Plan having been approved by the AGM of Nordea Sweden; all authorisations, consents and other decisions by relevant authorities, including but not limited to Nordea Finland having been licensed by the ECB to conduct banking business, investment services and investment activities, having been obtained; the shares in Nordea Finland having been admitted to trading on the regulated markets of Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen when the Merger Consideration is issued; the Merger not being prohibited or, in the opinion of the board of directors of Nordea Sweden and Nordea Finland, impeded; and the</p>

Section B – Issuer

Element	Disclosure requirement	Disclosure
		<p>completion of the Merger having been registered with the Finnish Trade Register. It is estimated that the completion of the Merger will be registered with the Finnish Trade Register during the second half of 2018, tentatively on 1 October 2018. Nordea Sweden will automatically dissolve on the Completion Date as a result of the Merger.</p>
B.2	Domicile/legal form/legislation/country of incorporation	<p>Nordea Sweden is a public limited liability banking company registered under the laws of Sweden domiciled in Sweden.</p> <p>Nordea Finland is a public limited liability company incorporated and domiciled in Finland and organised under the laws of Finland. Nordea Finland will, at the time of the completion of the Merger, be a public limited liability banking company and as such be subject to, among other laws, the Finnish Act on Credit Institutions (Fi: <i>laki luottolaitostoiminnasta (610/2014)</i>) (the “Finnish Act on Credit Institutions”) and the Finnish Commercial Banking Act (Fi: <i>laki liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista (1501/2001)</i>) (the “Finnish Commercial Banking Act”).</p>
B.3	Current operations and principal activities	<p>The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation, and no changes in the day-to-day business operations from a customer perspective are expected therefrom.</p> <p>The Nordea Group is the largest financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income, with additional operations in Russia and Luxembourg, and branches in a number of other international locations. The Nordea Group is also active in Estonia, Latvia and Lithuania through Luminor, a Baltic bank owned by Nordea and DNB ASA (“DNB”) that comprises the Nordea Group’s and DNB’s customers across the three markets. Nordea believes that the Group has the largest customer base of any financial services group based in the Nordic markets with over 10 million customers across the markets in which it operates, including approximately 9.6 million household customers and approximately 0.6 million corporate and institutional customers, in each case as of 31 December 2017. As of the same date, the Nordea Group had total assets of EUR 581.6 billion and tier 1 capital of EUR 28.0 billion, and was the largest Nordic-based asset manager with EUR 330.4 billion in assets under management.</p> <p>As a universal bank, the Nordea Group offers a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. The Nordea Group’s products and services comprise a broad range of household banking services, including mortgages and consumer loans, credit and debit cards, and a wide selection of savings, life insurance and pension products. In addition, the Nordea Group offers a wide range of corporate banking services, including business loans, cash management, payment and account services, risk management products and advisory services, debt and equity-related products for liquidity and capital raising purposes, as well as corporate finance, institutional asset management services and corporate life and pension products. The Nordea Group also distributes general insurance products. With approximately 500 branch office locations, call centres in each of the Nordic markets, and a highly competitive net bank, the Nordea Group also has the largest distribution network for customers in the Nordic markets.</p> <p>The Nordea Group’s ambition and vision has been to operate as “One Nordea” across the Nordic region. In order to realise that ambition and vision, the Nordea Group introduced a transformational change agenda in 2015 involving, among other things, significant investments in technology in order to have one system for all core banking products. The Nordea Group will continue to evolve into “One Nordea” and deliver the future relationship bank model through strengthened culture and consistent execution focusing on the following four</p>

Section B – Issuer

Element	Disclosure requirement	Disclosure
		main areas: clear customer vision; common way of working; simplification of common systems; and common values. In line with this ambition, the Nordea Group's strategic priorities include strengthening the Nordea Group's customer-centric organisation, digitalisation and distribution transformation, simplification, and trust and responsibility.
B.4a	Significant recent trends of the issuer and its industry	<p>The Nordea Group's performance is significantly influenced, and will following the re-domiciliation and Merger continue to be significantly influenced, by the general economic conditions in the countries in which it operates, in particular the Nordic markets (Denmark, Finland, Norway and Sweden) and, to a lesser degree, in Russia and, through Nordea's ownership in Luminor, a Baltic bank owned by Nordea and DNB that comprises Nordea's and DNB's customers across Estonia, Latvia and Lithuania, the Baltic countries. In recent years, the economic conditions in the Nordic region have, in general, developed more favourably relative to the rest of Europe, benefiting from generally sound public finances. However, there have been differences between countries within the region. In 2015, the Swedish economy grew in excess of 3 per cent. In Denmark, the economy experienced firm growth in the beginning of 2015 but the growth slowed somewhat in the second half of 2015. The Norwegian economy grew in the first part of 2015 but was increasingly impacted by the accelerated deterioration in oil prices later in the year. The Finnish economy remained more subdued in 2015, with growth rates fluctuating between positive and negative over the year. In 2016, the development of the Nordic economies was characterised by divergence. In Sweden, the development continued to be strong with growth again exceeding 3 per cent. In Denmark, the economy initially grew steadily but slowed somewhat in the second half of 2016. Still, the full-year development was positive, continuing the gradual improving trend. In 2016, Norway's economy initially maintained growth but was gradually adversely impacted following the deterioration in oil prices. Even though the Finnish economy grew in 2016, the economic development in Finland remained more muted with growth rates fluctuating between positive and negative over the quarters. The global economy experienced accelerated growth in 2017, with a moderate increase in inflation and low volatility in financial markets. Despite some concerning geopolitical developments, global asset prices increased strongly and financial markets volatility was extremely low in 2017. Support from central banks remained strong. The U.S. economy expanded at a robust pace and its central bank continued interest rate policy normalisation. The European economy expanded at its highest rate since 2011, supported by low interest rates, falling unemployment and strong domestic demand. Concerns about emerging market growth continued to dissipate as world trade activity increased up and commodities prices rose. In 2017, the Nordic economies saw synchronised growth for the first time in many years. In Sweden, the economic picture remained strong with growth above 2.5 per cent, while the Danish economy grew by 2 per cent, despite negative growth during the third quarter due to temporary factors. The growth in Norway also picked up, supported by the recovery in oil prices and low unemployment. In Finland, the economy expanded by more than 3 per cent driven both by strong domestic demand and higher exports. In recent years, the Russian economy has been negatively impacted by the crisis in the region of Crimea and eastern Ukraine.</p>
B.5	Group structure	The Nordea Group consists of the parent company Nordea Sweden and its consolidated subsidiaries. Following the completion of the Merger, the parent company of the Nordea Group will be Nordea Finland.
B.6	Notifiable interests	Nordea Sweden's shareholders will receive as merger consideration one new share in Nordea Finland for each share in Nordea Sweden that they own as of the Completion Date (<i>i.e.</i> , the Merger Consideration), meaning that the Merger Consideration will be issued to the shareholders of Nordea Sweden in proportion to their existing shareholding with an exchange ratio of 1:1. Therefore, immediately following the completion of the Merger, the shareholder base of Nordea Finland will be identical to that of Nordea Sweden immediately

Section B – Issuer

<u>Element</u>	<u>Disclosure requirement</u>	<u>Disclosure</u>						
		prior to the completion of the Merger.						
		To the extent known to Nordea Sweden, the following shareholders, directly or indirectly, have an interest in Nordea Sweden’s share capital or voting rights that is notifiable under Swedish law and Finnish law as of 31 January 2018:						
		<table><thead><tr><th></th><th><u>Number of shares</u> <u>(million)</u></th><th><u>Per cent of shares</u> <u>and votes⁽¹⁾</u></th></tr></thead><tbody><tr><td>Sampo plc</td><td>860.4</td><td>21.3</td></tr></tbody></table>		<u>Number of shares</u> <u>(million)</u>	<u>Per cent of shares</u> <u>and votes⁽¹⁾</u>	Sampo plc	860.4	21.3
	<u>Number of shares</u> <u>(million)</u>	<u>Per cent of shares</u> <u>and votes⁽¹⁾</u>						
Sampo plc	860.4	21.3						

(1) Excluding shares issued for the long-term incentive programmes (“LTIPs”).

Section B – Issuer

Element	Disclosure requirement	Disclosure
B.7	Selected historical key financial information	<p>Selected Consolidated Financial and Other Data of the Nordea Group</p> <p>The selected consolidated income statement and balance sheet data presented below have been derived from the audited consolidated financial statements of the Nordea Group for the years ended and as of 31 December 2015, 2016 and 2017, together with the restated comparative figures for the year ended and as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended 31 December 2016, incorporated by reference into this Prospectus. Those financial statements have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Commission (“IFRS”). Nordea Finland, the parent company of the Nordea Group following the completion of the Merger, was registered with the Finnish Trade Register on 27 September 2017 and no historical financial statements have been prepared in respect of Nordea Finland. The Nordea Group’s audited consolidated financial statements incorporated by reference into this Prospectus have been prepared for the Nordea Group with Nordea Sweden as the parent company. As the Merger will be treated in the Nordea Group’s consolidated accounts as a reorganisation within the consolidated group, the Merger as an intra-group transaction does not change the reporting entity under IFRS. Accordingly, the consolidated financial statements of Nordea Finland, the new parent company of the Nordea Group, will reflect a continuum of the carrying values from the consolidated financial statements of the former parent company of the Nordea Group, Nordea Sweden, which are incorporated by reference into this Prospectus.</p>

Selected Consolidated Income Statement Data

	For the year ended 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Net interest income.....	4,963 ⁽¹⁾	4,727	4,666
Net fee and commission income.....	3,230 ⁽¹⁾	3,238	3,369
Net result from items at fair value.....	1,645 ⁽¹⁾	1,715	1,328
Profit from associated undertakings accounted for under the equity method.....	39	112	23
Other operating income.....	263	135	83
Total operating income.....	10,140	9,927	9,469
General administrative expenses:			
Staff costs.....	(3,263)	(2,926)	(3,212)
Other expenses.....	(1,485)	(1,646)	(1,622)
Depreciation, amortisation and impairment charges of tangible and intangible assets.....	(209)	(228)	(268)
Total operating expenses.....	(4,957)	(4,800)	(5,102)
Profit before loan losses.....	5,183	5,127	4,367
Net loan losses.....	(479)	(502)	(369)
Operating profit.....	4,704	4,625	3,998
Income tax expense.....	(1,042)	(859)	(950)
Net profit for the year.....	3,662	3,766	3,048
Attributable to:			
Shareholders of Nordea Bank AB (publ).....	3,662	3,766	3,031
Non-controlling interests.....	–	–	17
Total.....	3,662	3,766	3,048
Basic earnings per share, EUR.....	0.91	0.93	0.75
Diluted earnings per share, EUR.....	0.91	0.93	0.75

(1) Due to (i) a reclassification in 2016 of refinancing fees and pay-out fees received in connection with mortgage lending in Denmark from “net result from items at fair value” to “net fee and commission income” and (ii) a reclassification in 2016 of state guarantee fees from “net fee and commission income” to “net interest income”, the Nordea Group restated the comparative income statement figures for the year ended 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures for 2015 presented herein are unaudited. The audited non-restated figure for the year ended 31 December 2015 for net interest income is EUR 5,110 million, for net fee and commission income EUR 3,025 million and for net result from items at fair value EUR 1,703 million.

Section B – Issuer

Selected Consolidated Balance Sheet Data

	As of 31 December		
	2015	2016	2017
	(EUR million)		
Cash and balances with central banks	35,500	32,099	43,081
Loans to central banks	13,224	11,235	4,796
Loans to credit institutions	10,762 ⁽¹⁾	9,026	8,592
Loans to the public	340,920	317,689	310,158
Interest-bearing securities	86,535 ⁽¹⁾	87,701	75,294
Financial instruments pledged as collateral	8,341	5,108	6,489
Shares	22,273 ⁽¹⁾	21,524	17,180
Assets in pooled schemes and unit-linked investment contracts	20,434 ⁽¹⁾	23,102	25,879
Derivatives	80,741	69,959	46,111
Other ⁽²⁾	28,138 ⁽¹⁾	29,319	21,846
Assets held for sale ⁽³⁾	–	8,897	22,186
Total assets	646,868	615,659	581,612
Deposits by credit institutions	44,209	38,136	39,983
Deposits and borrowings from the public	189,049 ⁽⁴⁾	174,028	172,434
Deposits in pooled schemes and unit-linked investment contracts	21,088 ⁽⁴⁾	23,580	26,333
Liabilities to policyholders	38,707 ⁽⁴⁾	41,210	19,412
Debt securities in issue	201,937	191,750	179,114
Derivatives	79,505	68,636	42,713
Other ⁽⁵⁾	41,341 ⁽⁴⁾	41,021	42,276
Liabilities held for sale ⁽³⁾	–	4,888	26,031
Total liabilities	615,836	583,249	548,296
Total equity	31,032	32,410	33,316
of which additional tier 1 capital holders	–	–	750
of which non-controlling interests	1	1	168
Total liabilities and equity	646,868	615,659	581,612

- (1) The Nordea Group reclassified in 2016 certain interest-bearing securities and shares to the separate balance sheet line “assets in pooled schemes and unit-linked investment contracts” in order to disclose them separately from assets for which the Nordea Group bears the investment risk. Due to this reclassification, the Nordea Group restated the comparative figures for “loans to credit institutions”, “interest-bearing securities”, “shares”, “investment properties” and “other assets” as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures as of 31 December 2015 presented herein are unaudited. The corresponding audited non-restated figure as of 31 December 2015 is EUR 10,959 million for loans to credit institutions, EUR 88,176 million for interest-bearing securities, EUR 40,745 million for shares and EUR 28,262 million for other (that, as defined for the purposes of the above table, includes investment properties that decreased by EUR 111 million and other assets that decreased by EUR 13 million due to the restatement).
- (2) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, investments in associated undertakings and joint ventures, intangible assets, properties and equipment, investment properties, deferred tax assets, current tax assets, retirement benefit assets, prepaid expenses and accrued income, and other assets, which includes claims on securities settlement proceeds, cash/margin receivables and other.
- (3) Assets and liabilities held for sale as of 31 December 2017 relate to Nordea’s decision to sell additional 45 per cent of the shares in Danish Nordea Liv & Pension Livsforsikringsselskab A/S. Assets and liabilities held for sale as of 31 December 2016 consist of the Nordea Group’s Baltic operations and lending to retail customers in Russia. Assets and liabilities related to the disposal groups are presented on the separate balance sheet lines “assets held for sale” and “liabilities held for sale”, respectively, as from the classification date.
- (4) As a result of the accounting policy changes discussed in footnote (1) above, the Nordea Group reclassified in 2016 the liabilities corresponding to assets in pooled schemes and unit-linked investment contracts to the separate balance sheet line “deposits in pooled schemes and unit-linked investment contracts” given that these liabilities behave differently than the normal deposits received from customers. Due to this reclassification, the Nordea Group restated the comparative figures for “deposits and borrowings from the public”, “liabilities to policyholders” and “other” liabilities as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures as of 31 December 2015 presented herein are unaudited. The corresponding audited non-restated figure as of 31 December 2015 is EUR 193,342 million, for deposits and borrowings from the public, EUR 55,491 million for liabilities to policyholders and EUR 41,352 million for other (that, as defined for the purposes of the above table, includes other liabilities that decreased by EUR 11 million due to the restatement).
- (5) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, current tax liabilities, accrued expenses and prepaid income, deferred tax liabilities, provisions, retirement benefit liabilities, subordinated liabilities, and other liabilities, which includes liabilities on securities settlement proceeds, sold, not held, securities, accounts payable, cash/margin payables and other.

Section B – Issuer

Key Regulatory Ratios and Key Financial Figures⁽¹⁾

	For the year ended and as of 31 December		
	2015	2016	2017
Key Regulatory Ratios			
Loan loss ratio, basis points ⁽²⁾	14	15	12
Common equity tier 1 (CET1) capital ratio, excluding Basel I floor ⁽³⁾⁽⁴⁾ , per cent	16.5	18.4	19.5
Tier 1 capital ratio, excluding Basel I floor ⁽³⁾⁽⁴⁾ , per cent	18.5	20.7	22.3
Total capital ratio, excluding Basel I floor ⁽³⁾⁽⁴⁾ , per cent.....	21.6	24.7	25.2
Tier 1 capital ⁽³⁾⁽⁴⁾ , EUR billion	26.5	27.6	28.0
Risk exposure amount (REA), excluding Basel I floor ⁽³⁾ , EUR billion.....	143	133	126
Economic Capital ⁽⁴⁾ , EUR billion.....	25.0	26.3	26.7
Key Financial Figures			
Return on equity ⁽⁵⁾ , per cent	12.2	12.3	9.5
Cost to income ratio, excluding items affecting comparability, per cent.....	47	50	54
ROCAR, excluding items affecting comparability ⁽⁶⁾ , per cent.....	14.8	13.2	11.1
Share and Other Data			
Share price ⁽⁴⁾ , EUR.....	10.15	10.60	10.09
Total shareholders' return, per cent	8.2	16.3	3.6
Proposed/actual dividend per share, EUR.....	0.64	0.65	0.68
Equity per share ⁽⁴⁾ , EUR.....	7.69	8.03	8.21
Potential shares outstanding ⁽⁴⁾ , million	4,050	4,050	4,050
Weighted average number of diluted shares, million	4,031	4,037	4,039
Number of employees (full-time equivalent ("FTE")) ⁽⁴⁾	29,815	31,596	30,399

(1) For definitions of ratios and other key terms, see “—Definitions of Key Regulatory Ratios” and “—Definitions of Key Financial Figures” below.

(2) Including loans to the public reported as assets held for sale in 2016.

(3) Including result for the year.

(4) End of year.

(5) The return on equity of the Nordea Group, excluding items affecting comparability, was 9.5 per cent in 2017, 11.5 per cent in 2016 and 12.3 per cent in 2015.

(6) ROCAR, excluding items affecting comparability is restated in 2016 due to changed definition of average Economic Capital.

Definitions of Key Regulatory Ratios

Set forth below are definitions of terms and key regulatory ratios used in “—Key Regulatory Ratios and Key Financial Figures” above.

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

Common equity tier 1 (CET1) capital ratio..... Common equity tier 1 (CET1) capital as a percentage of risk exposure amount (REA).

Tier 1 capital ratio..... Tier 1 capital as a percentage of risk exposure amount (REA).

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

Own funds..... Own funds is defined in Article 72 in the CRR (as defined below) and consist of the sum of tier 1 capital and tier 2 capital.

Tier 1 capital..... Tier 1 capital is defined in the Article 25 in the CRR, and consists of the sum of the common equity tier 1 (CET1) capital and additional tier 1 capital of the institution. Common equity tier 1 (CET1) is defined in Article 50 in the CRR and 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 other deductions such as cash flow hedges.

Risk exposure amount (REA)..... Risk exposure amount (REA) is defined in Article 92.3 in the CRR. Total assets and off-balance-sheet items valued on the basis of the credit and market risks, as well as operational risks of the Nordea Group's undertakings, in accordance with regulations governing capital adequacy, excluding assets in insurance companies, carrying amount of shares which have been deducted from the own funds and intangible assets.

Section B – Issuer

Economic Capital..... Economic Capital is the internally derived amount of capital to ensure that a firm stay solvent. The approach includes both pillar 1 and pillar 2 capital based on a 99.9 per cent confidence measurement.

Definitions of Key Financial Figures

Set forth below are definitions of terms and key financial figures used in “—Key Regulatory Ratios and Key Financial Figures” above.

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

Cost to income ratio, excluding items affecting comparability Total operating expenses excluding items affecting comparability divided by total operating income excluding items affecting comparability.

ROCAR (return on capital at risk), excluding items affecting comparability, per cent Net profit for the period excluding items affecting comparability in percentage of Economic Capital.

Items affecting comparability Significant items that interfere with year-on year comparisons, such as material gain on sale of business operations, restructuring expenses and changes in pension arrangements.

Reconciliation of Certain Key Financial Figures

The following table sets forth the specification of items affecting comparability and the calculation of cost to income ratio, excluding items affecting comparability for the years ended 31 December 2015, 2016 and 2017:

	For the year ended 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Items affecting comparability, before tax:			
Gain from divestment of Nordea’s merchant acquiring business to Nets Holding A/S.....	176	–	–
Gain related to Visa Inc.’s acquisition of Visa Europe Ltd.	–	173	–
Restructuring charge.....	(263)	–	–
Change in pension agreement in Norway	–	86	–
Total items affecting comparability, before tax	<u>(87)</u>	<u>259</u>	<u>–</u>
Total operating expenses.....	(4,957)	(4,800)	(5,102)
Items affecting comparability in total operating expenses	263	(86)	–
Total operating expenses excluding items affecting comparability	<u>(4,694)</u>	<u>(4,886)</u>	<u>(5,102)</u>
Total operating income.....	10,140	9,927	9,496
Items affecting comparability in total operating income	(176)	(173)	–
Total operating income excluding items affecting comparability	<u>9,964</u>	<u>9,754</u>	<u>9,496</u>
Cost to income ratio, excluding items affecting comparability, per cent	47	50	54

The following table sets forth the calculation of ROCAR, excluding items affecting comparability, as defined by Nordea for the years ended 31 December 2015, 2016 and 2017:

	For the year ended 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Net profit for the period	3,662	3,766	3,048
Items affecting comparability, net of tax	29	(227)	–
Net profit for the period excluding items affecting comparability	<u>3,691</u>	<u>3,539</u>	<u>3,048</u>
Average economic capital	25,005	26,773	27,342
ROCAR, excluding items affecting comparability⁽¹⁾, per cent	14.8	13.2	11.1

(1) ROCAR, excluding items affecting comparability is restated in 2016 due to changed definition of average Economic Capital.

Section B – Issuer

Element	Disclosure requirement	Disclosure
B.8	Selected key pro forma financial information	Not applicable. This Prospectus does not contain pro forma financial information.
B.9	Profit forecast	Not applicable. This Prospectus does not contain a profit forecast.
B.10	Nature of any qualifications in the audit report on the historical financial information	Not applicable. There are no qualifications in the audit reports on the historical financial information.
B.11	Working capital	Not applicable. Nordea is of the opinion that the Group’s working capital (<i>i.e.</i> , its ability to access cash and other available liquid resources) is sufficient for it to meet its liabilities as they become due for a period of 12 months after the date of this Prospectus.

Section C – Securities

Element	Disclosure requirement	Disclosure
C.1	Type and class of the securities being admitted to trading	Nordea Finland has one series of shares, which has an ISIN code of FI4000297767. According to Nordea Finland’s current articles of association and its articles of association following the receipt of a credit institution licence, Nordea Finland may issue only one series of shares.
C.2	Currency of the securities issue	Euro.
C.3	Number of shares issued/par value per share	As of the date of this Prospectus, Nordea Finland’s share capital is EUR 5,000,000, consisting of one ordinary share. Upon the completion of the Merger, Nordea Finland’s share capital will be increased to EUR 4,049,951,919 and the number of shares will be increased to correspond to the Merger Consideration. Nordea Finland intends to arrange a directed share issue to itself prior to the completion of the Merger for the purpose of implementing a share-based incentive scheme. The number of treasury shares to be issued in the directed share issue would correspond to the number of treasury shares held by Nordea Sweden on the Completion Date.
C.4	Rights attached to the securities	<p>General</p> <p>Nordea Finland is a public limited liability company incorporated in Finland and subject to, among other laws, the Finnish Companies Act (Fi: <i>osakeyhtiölaki (624/2006)</i>) (the “Finnish Companies Act”). Nordea Finland will, at the time of the completion of the Merger, be a public limited liability banking company and as such be subject to, among other laws, the Finnish Act on Credit Institutions and the Finnish Commercial Banking Act.</p> <p>According to the rules of Nasdaq Helsinki, all issuers of shares that are traded on the official list of Nasdaq Helsinki must comply with the Finnish Corporate Governance Code (Fi: <i>Suomen listayhtiöiden hallinnointikoodi</i>) (the “Finnish Corporate Governance Code”). Consequently, following the completion of the Merger and the Listing, Nordea Finland must comply with the Finnish Corporate Governance Code. The recommendations of the Finnish Corporate Governance Code are supplementary to the provisions of law and work in accordance with the “comply or explain” principle. Therefore, a company may deviate from the specific recommendations of the Finnish Corporate Governance Code provided that it reports each deviation and explains the reasons for it. Since Nordea Finland must comply with the Finnish Corporate Governance Code, the Swedish Corporate Governance Code (Sw: <i>Svensk kod för bolagsstyrning</i>) (the “Swedish Corporate Governance Code”) will not be applied by Nordea Finland as applying two separate codes could result in conflicting requirements and outcomes. Nordea Finland’s corporate governance</p>

Section C – Securities

<u>Element</u>	<u>Disclosure requirement</u>	<u>Disclosure</u>
		<p>practices are not expected to deviate from the Swedish Corporate Governance Code in any significant respect.</p> <p>The rights attached to the shares in Nordea Finland are determined by the Finnish Companies Act and other applicable Finnish regulation.</p> <p>General Meetings</p> <p>The highest governing body of Nordea Finland is the general meeting, at which the shareholders exercise their decision-making powers.</p> <p>Dividends and Other Distribution of Funds</p> <p>All of the shares in Nordea Finland will entitle the holders to equal rights to dividends and other distributable funds (including the distribution of Nordea Finland’s assets in dissolution) following the entry of the shares in the Finnish Trade Register. Dividends and other distributions of funds are paid to shareholders or their nominees entered in the register of shareholders on the relevant record date. The right to dividends expires three years from the dividend payment date.</p> <p>In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed for a specific financial year after the general meeting of shareholders has adopted the company’s financial statements for that year and resolved on the amount of dividend or other distribution of unrestricted equity based on the proposal by the board of directors of the company. Further, under Finnish law, the general meeting may authorise the board of directors to decide on the distribution of dividend by resolving on a maximum amount of assets to be distributed.</p> <p>The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity is based, subject to any material changes in the financial position of the company since the financial statements were prepared. In Finland, assets may not be distributed if it is known or should be known at the time of the distribution decision that the company is insolvent or that the distribution will cause the insolvency of the company.</p> <p>Under Finnish law, at least one-half of the profits of a financial year must be distributed as dividend if a request to this effect is made at the AGM by shareholders representing at least 10 per cent of all shares. Under Finnish law, such dividend is to be reduced by the amount of any distributions of dividends prior to the AGM and in accordance with any relevant provisions in the company’s articles of association. Further, profits in excess of the amount that can be lawfully distributed without consent by the company’s creditors or in excess of 8 per cent of the company’s equity cannot be distributed. In addition, pursuant to the Finnish Act on Credit Institutions, if the amount of the own funds or consolidated own funds of a credit institution falls below the capital requirement laid down in the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the “CRR”) or in the Finnish Act on Credit Institutions, the credit institution, such as Nordea Finland, may not distribute dividends unless the FFSA, for a special reason, grants an exemption for a fixed period.</p>
C.5	Restrictions on the free transferability of the securities	<p>There are no restrictions under Finnish law or in Nordea Finland’s articles of association regarding the right to transfer shares in Nordea Finland, and Nordea Finland is not aware of any agreements between shareholders in this respect. However, since Nordea Finland will, following receipt of the credit institution licence granted by the ECB, be a credit institution, a direct or indirect</p>

Section C – Securities

Element	Disclosure requirement	Disclosure
		acquisition of shares in Nordea Finland that causes the acquirer’s total holding to comprise a qualified holding (10 per cent or more of the equity capital or of the votes, or a holding that otherwise enables the acquirer to exercise a substantial influence over the management of Nordea Finland) may only take place following approval by the ECB. An ECB approval is also required if the holding amounts to or exceeds 20 per cent, 30 per cent or 50 per cent of the equity capital or of the votes.
C.6	Admission/ regulated markets where the securities are traded	<p>The shares in Nordea Sweden are listed on Nasdaq Nordic, the stock exchanges in Stockholm (in Swedish krona), Helsinki (in the form of Nordea Sweden FDRs with prices quoted in euro) and Copenhagen (in Danish krone).</p> <p>Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen have, subject to certain conditions, approved the shares in Nordea Finland for listing on their official lists as from the Completion Date. At the same time, the listing of the shares in Nordea Sweden on Nasdaq Stockholm and Nasdaq Copenhagen as well as the listing of the Nordea Sweden FDRs on Nasdaq Helsinki will cease. Trading in the shares in Nordea Finland on the official lists of Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen is expected to commence on or about the Completion Date.</p>
C.7	Dividend policy	<p>According to the Nordea Group’s dividend policy, the Nordea Group strives to maintain a strong capital position in line with its capital policy with an ambition to achieve a yearly increase in the dividend per share. The current intention is to maintain this policy for the parent company of the Nordea Group irrespective of the proposed re-domiciliation and Merger.</p> <p>Notwithstanding any dividend policy adopted by Nordea Finland, Nordea Finland will evaluate the preconditions for the payment of dividends or other distributions of unrestricted equity annually, which may result in a deviation from the dividend policy, including a decision not to distribute any dividends. The amount of any dividends paid by Nordea Finland in any given financial year is, therefore, uncertain. Further, any payment of dividends, or other distributions of unrestricted equity, by Nordea Finland with respect to prior financial periods is not an indication of the dividends to be paid for financial periods in the future, if any.</p>

Section D – Risks

Element	Disclosure requirement	Disclosure
D.1	Key risks that are specific to the issuer or its industry	<p><i>The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation. Except where references are made to the Merger and/or transactions contemplated in connection therewith or except where it is clear from the context that the references mean otherwise, the risk factors below reflect the Nordea Group’s business both before and after the completion of the Merger.</i></p> <p>Risks relating to the Merger</p> <p><i>Risks relating to the Merger include, but are not limited to:</i></p> <ul style="list-style-type: none"> • there are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to complete or a delay in completing the Merger could adversely affect the Nordea Group’s business, results of operations and financial condition; • a failure to complete or a delay in completing the actions carried out as part of the remediation process related to the re-domiciliation and Merger could delay the completion, or lead to the failure, of the

Section D – Risks

Element	Disclosure requirement	Disclosure
		<p>Merger and adversely affect the Nordea Group’s business, results of operations and financial condition;</p> <ul style="list-style-type: none"> • Nordea may not be able to realise the savings it expects to generate through the re-domiciliation and Merger; and • there is uncertainty relating to the tax treatment of the Merger in certain jurisdictions and local tax authorities may challenge the tax neutrality of the Merger.
		<p>Risks Relating to the Nordea Group’s Operations</p> <p><i>Risks relating to the legal and regulatory environments in which the Nordea Group operates include, but are not limited to:</i></p> <ul style="list-style-type: none"> • the Nordea Group is subject to extensive regulation that is subject to change; • the Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements; • CRD IV introduces capital requirements that are in addition to the minimum capital ratio; • recent regulatory actions may affect the Nordea Group’s funding needs and capital position; • upon the completion of the Merger, the supervision of the Nordea Group will be transferred to the ECB and the Nordea Group will become subject to the European Single Supervisory Mechanism and the European Single Resolution Mechanism; • liquidity risk is inherent in the Nordea Group’s operations; • the Nordea Group’s business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate; • legal and regulatory claims arise in the conduct of the Nordea Group’s business; • the Nordea Group is exposed to risk of changes in tax legislation, including increases in tax rates; • changes in the Nordea Group’s accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations; and • the Nordea Group’s funding costs and its access to the debt capital markets depend significantly on its credit ratings. <p><i>Risks relating to macroeconomic conditions include, but are not limited to:</i></p> <ul style="list-style-type: none"> • negative economic developments and conditions in the markets in which the Nordea Group operates can adversely affect the Nordea Group’s business and results of operations; and • disruptions and volatility in the global financial markets may adversely impact the Nordea Group. <p><i>Risks relating to the Nordea Group’s credit portfolio include, but are not limited to:</i></p> <ul style="list-style-type: none"> • deterioration in counterparties’ credit quality may affect the Nordea Group’s financial performance; and

Section D – Risks

Element	Disclosure requirement	Disclosure
		<ul style="list-style-type: none"> ● the Nordea Group is exposed to counterparty credit risk. <p><i>Risks relating to market exposure include, but are not limited to:</i></p> <ul style="list-style-type: none"> ● the Nordea Group is exposed to market price risk; and ● the Nordea Group is exposed to structural market risk. <p><i>Other risks relating to the Nordea Group’s operations include, but are not limited to:</i></p> <ul style="list-style-type: none"> ● operational risks, including risks in connection with investment advice, may affect the Nordea Group’s business; ● the operations of the Nordea Group outside the Nordic markets, in particular Russia, are subject to risks that do not apply, or apply to a lesser degree, to its businesses in the Nordic markets; ● profitability in the Nordea Group’s life and pension business depends on regulations and guidelines in the countries in which it operates; ● the Nordea Group could fail to attract or retain senior management or other key employees; ● the Nordea Group faces competition in all markets; and ● the Nordea Group may not be able to successfully implement its strategy.
D.3	Key risks that are specific to the securities	<p>Risks relating to the shares in Nordea Finland include, but are not limited to:</p> <ul style="list-style-type: none"> ● Nordea Finland’s ability to pay dividends or other distributions of unrestricted equity in accordance with its dividend policy or otherwise is dependent on the availability of distributable funds and Nordea Finland may be unable to, or decide not to, pay any dividends or other distributions of unrestricted equity in the future; ● possible changes in the Finnish withholding tax regime may increase the withholding tax rate of unidentified nominee-registered shareholders; ● the receipt of the Merger Consideration by the shareholders of Nordea Sweden may be a taxable event in certain jurisdictions and shareholders in Nordea Sweden are advised to consult professional tax advisors as to the tax implications that may arise from the Merger; ● the interests of certain larger shareholders of Nordea Finland may differ from the interests of other shareholders; ● future issues or sales of a significant number of shares in Nordea Finland may have a negative effect on the market price of shares in Nordea Finland and potential future share issues by Nordea Finland may dilute the ownership of existing shareholders; ● certain foreign shareholders may not necessarily be able to exercise their pre-emptive right set forth in the Finnish Companies Act or other shareholders’ rights; ● the market price of the shares in Nordea Finland could fluctuate considerably;

Section D – Risks

Element	Disclosure requirement	Disclosure
		<ul style="list-style-type: none"> • the completion of transactions relating to the shares in Nordea Finland is dependent on the processes, systems and cooperation of Euroclear Finland Ltd, Euroclear Sweden AB and VP Securities A/S; and • investors with a reference currency other than the euro will become subject to certain foreign exchange risks when investing in the shares in Nordea Finland.

Section E – Offer

Element	Disclosure requirement	Disclosure
E.1	Net proceeds/estimate of expenses	Nordea Finland will not receive any cash proceeds from the Merger. The total costs expected to be incurred by Nordea in connection with the re-domiciliation and Merger primarily comprise funding related execution costs and project costs, including information technology (“IT”), legal and advisory costs but excluding staff costs, and are expected to be approximately EUR 100 million before tax (undiscounted), of which EUR 11 million had been incurred as of 31 December 2017.
E.2a	Reasons for the offer/use of proceeds/estimated net amount of the proceeds	<p>In the first quarter of 2017, Nordea commenced an assessment of the options to address the impact on the Nordea Group of the Swedish regulatory framework, including its deviation from the regulatory framework of the EU’s banking union. The options assessed included, among other things, moving the corporate headquarters of the Nordea Group from Sweden.</p>

On 6 September 2017, following the completion of the assessment, the board of directors of Nordea Sweden decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, which is participating in the EU’s banking union. This decision was based on the Nordea Group’s unique pan-Nordic and international structure, which means that the existing national regulatory frameworks do not fully accommodate the Nordea Group’s operating model and recent strategic developments. Nordea Sweden expects that domiciling the parent company of the Nordea Group in a country that is participating in the EU’s banking union will mean that the Nordea Group will be subject to a similar regulatory framework as its European peers, with a greater consistency of the application of laws and regulations and, therefore, more of a level playing field. Nordea Sweden expects that this will promote the interests of customers, shareholders and employees. The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation, and no changes in the day-to-day business operations from a customer perspective are expected therefrom.

Nordea Sweden expects the net present value of the total savings related to resolution fees, deposit guarantees and other transitional effects due to the re-domiciliation to Finland to be approximately EUR 0.9–1.2 billion. Of the net present value of the total savings, EUR 0–90 million is expected to be realised between 2017 and 2019 and EUR 900–1,070 million after 2019. The resolution and deposit guarantee fees payable for 2018 are expected to increase by approximately EUR 60–130 million compared to 2017. For 2019, these fees are expected to range from EUR 10 million lower to EUR 60 million higher compared to 2017.

The above discussion includes Nordea Sweden’s expectations with respect to the net present value of the savings related to resolution fees, deposit guarantees and other transitional effects ensuing from Nordea Sweden’s re-domiciliation to Finland. Nordea Sweden has calculated the expected net present value impact of the re-domiciliation to Finland by discounting future, post-tax income statement effects, of the domicile change based on information available to it as of the date of this Prospectus. The calculations underlying the net present values of the expected savings have been based on currently

Section E – Offer

Element	Disclosure requirement	Disclosure
E.3	Terms and conditions of the offer	<p><i>applicable laws and regulations and on the assumption that the re-domiciliation and Merger will be carried out on a tax neutral basis through a cross-border reversed merger by way of absorption and within the timeframe currently contemplated, that is, by 1 October 2018.</i></p> <p><i>The net present value estimates discussed in this section are subject to change and based on a number of assumptions and judgments relating to, among others, the level of resolution and deposit guarantee fees going forward and transitional effects due to the re-domiciliation, and have been prepared based on Nordea Sweden's current expectation on the development of the commercial, regulatory and economic environments. The estimates do not reflect unanticipated events that, among others, may result from changes in the regulatory regime, including the applicable capital requirements, to which the Nordea Group will be subject.</i></p> <p>On 25 October 2017, the boards of directors of Nordea Sweden and Nordea Finland signed the Merger Plan, which sets out the terms and conditions and related procedures for the Merger. Pursuant to the Merger Plan, the boards of directors of Nordea Sweden and Nordea Finland propose that Nordea Sweden be merged into Nordea Finland through the Merger, which is proposed to be carried out as a cross-border reversed merger by way of absorption pursuant to the provisions of Chapter 16, Sections 19–28 of the Finnish Companies Act and, as applicable, Chapter 2 of the Finnish Commercial Banking Act as well as Chapter 23, Section 36 (with further reference) of the Swedish Companies Act (Sw: <i>aktiebolagslag (2005:551)</i>) (the “Swedish Companies Act”) and Chapter 10, Sections 18–25 b of the Swedish Banking and Financing Business Act (Sw: <i>lag (2004:297) om bank- och finansieringsrörelse</i>) (the “Swedish Banking and Financing Business Act”). Nordea Sweden will automatically dissolve on the Completion Date as a result of the Merger.</p> <p>Nordea Sweden's shareholders will receive as Merger Consideration one new share in Nordea Finland for each share in Nordea Sweden that they own as of the Completion Date, meaning that the Merger Consideration will be issued to the shareholders of Nordea Sweden in proportion to their existing shareholding with an exchange ratio of 1:1. The exchange ratio has been determined against the fact that Nordea Finland is a wholly owned subsidiary of Nordea Sweden without any operations of its own, which means that the value of all shares of Nordea Finland after the Merger reflects the value of all shares of Nordea Sweden. The share capital of Nordea Finland will be increased from EUR 5,000,000 to EUR 4,049,951,919, which corresponds to the share capital of Nordea Sweden, in connection with the execution of the Merger.</p> <p>The board of directors of Nordea Sweden will present the Merger Plan to the shareholders of Nordea Sweden at the AGM scheduled to be held on 15 March 2018 for their approval, which requires a two-thirds majority of the shares and votes cast and present at the meeting. In the event that the AGM does not approve the Merger Plan, the Merger will lapse. In addition to the approval of Nordea Sweden's general meeting, the completion of the Merger is subject to, among other things, necessary regulatory authorisations and internal approvals. The board of directors of Nordea Sweden recommends that the AGM of Nordea Sweden approves the Merger Plan. The regulatory authorisations required for the completion of the Merger include, among others, an authorisation from the SFSA, which, as part of the authorisation process, will assess whether Nordea Sweden's creditors are assured satisfactory security where such security is required taking into account Nordea Sweden's and Nordea Finland's financial circumstances and the interests of Nordea Sweden's depositors and other creditors. In addition, the SFSA can deny the application where such denial is justified as being in the public interest.</p> <p>Provided that the conditions to the completion of the Merger have been fulfilled, the Merger will be completed on the Completion Date, that is, when the</p>

Section E – Offer

Element	Disclosure requirement	Disclosure
		<p>completion of the Merger is registered with the Finnish Trade Register, which is planned to take place during the second half of 2018, tentatively on 1 October 2018. At the same time, the shareholders of Nordea Sweden will become shareholders of Nordea Finland. Nordea Sweden will automatically dissolve on the Completion Date as a result of the Merger. For accounting and legal purposes, Nordea Sweden’s rights and obligations as well as its assets and liabilities will by operation of law be transferred to Nordea Finland on the Completion Date by way of universal succession in accordance with relevant Finnish and Swedish corporate law and the transactions of Nordea Sweden will be treated as being those of Nordea Finland. Nordea Finland will change its name to Nordea Bank Abp no later than on the Completion Date. Nordea Finland will, by way of the Merger, formally obtain the names, parallel names and auxiliary names, together with translations thereof, of Nordea Sweden’s branches. However, upon the completion of the Merger, the names of Nordea Finland’s new branches in Sweden and, among other countries, Denmark, and Norway as well as Estonia, China, Poland, Singapore, the United Kingdom, Germany and the United States (together, the “Relevant Jurisdictions”) will be updated to reflect the new parent company of the Nordea Group.</p> <p>Under Swedish law, the shareholders of a merging company do not have the right to demand at the general meeting deciding on the merger that their shares be redeemed. Therefore, as opposed to under Finnish law, shareholders of Nordea Sweden who oppose the Merger will not have the right to demand at the AGM of Nordea Sweden that their shares be redeemed. The shareholders of Nordea Sweden who do not want to receive shares in Nordea Finland as Merger Consideration, must dispose of their shares in Nordea Sweden on 28 September 2018 at the latest.</p> <p>If the Merger Plan is approved by the AGM of Nordea Sweden, shareholders of Nordea Sweden who wish to remain as shareholders in Nordea Finland following the Merger will not need to take any action in connection with the Merger.</p>
E.4	Interests material to the issue/conflicting interests	Not applicable.
E.5	Name of the person or entity offering to sell the security	Not applicable.
	Lock-up agreements	Not applicable.
E.6	Dilution	Not applicable.
E.7	Estimated expenses charged to the investor	Not applicable. No expenses will be directly charged to investors by Nordea Finland in respect of the Merger.

RISK FACTORS

The Merger and an investment in Nordea Finland involve a number of risks, many of which are inherent in the Nordea Group's business and could be significant. Shareholders should carefully review the information contained in this Prospectus, and in particular, the risk factors described below. The following description of risk factors is based on information known and assessed on the date of this Prospectus and, therefore, is not necessarily exhaustive. Some of these factors are contingencies that may or may not occur and Nordea Finland and Nordea Sweden are not in the position to express a view on the likelihood of any such contingency occurring or not occurring. The Nordea Group may also face additional risks not currently known or not currently deemed material.

The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation. Except where references are made to the Merger and/or transactions contemplated in connection therewith or except where it is clear from the context that the references mean otherwise, the risk factors below reflect the Nordea Group's business both before and after the completion of the Merger.

Should one or more of the risk factors described in this Prospectus materialise, it could have a material adverse effect on the Merger or the Nordea Group's business, financial condition and results of operations. The market price of shares in Nordea Finland could decline due to the realisation of these risks, and shareholders could lose part or all of their investment. The order in which the risk factors are presented does not reflect the probability of their realisation or order of importance.

This Prospectus also contains forward-looking statements that involve risks and uncertainties. Nordea Finland's actual results could materially differ from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Prospectus. See "Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements".

Risks Relating to the Merger

There are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to complete or a delay in completing the Merger could adversely affect the Nordea Group's business, results of operations and financial condition.

As discussed in more detail under "Merger of Nordea Sweden into Nordea Finland—Overview of the Merger", the board of directors of Nordea Sweden has decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, which is participating in the EU's banking union. The re-domiciliation is proposed to be carried out through the Merger, that is, as a cross-border reversed merger by way of absorption through which Nordea Sweden, the current parent company of the Nordea Group, will be merged into Nordea Finland, a newly established Finnish subsidiary of Nordea Sweden. The Merger is subject to a number of uncertainties, including the ability to obtain the necessary shareholder approvals and regulatory authorisations, required licences (such as a credit institution licence that Nordea Finland will need to receive before the completion of the Merger) or satisfactory outcomes of the discussions with regulators and authorities, including local financial supervisory authorities and tax authorities, as well as the uncertainty related to certain elements of the regulatory framework that would be applied to the Nordea Group following the completion of the Merger (see also "Merger of Nordea Sweden into Nordea Finland—Conditions to the Completion of the Merger" and "—Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—The Nordea Group is subject to extensive regulation that is subject to change" below). There can also be no assurances that Nordea Finland will be able to obtain the necessary licences and approvals for its branches outside the European Economic Area (the "EEA"), or that these licences and approvals can be obtained within the timeline currently anticipated. Any delay in obtaining the required licences, approvals or consents could, and a failure to complete the Merger due to the inability to obtain the necessary licences, approvals or consents or for other reasons would, result in the Nordea Group not obtaining the anticipated benefits of the re-domiciliation and Merger.

The Nordea Group will also incur costs related to the Merger, including with respect to the remediation process discussed under "Merger of Nordea Sweden into Nordea Finland—Overview of the Merger—Remediation Process", which must be paid by it whether or not the Merger is completed, and such costs may continue to increase if the Merger is delayed. A failure of the Merger may also adversely affect the reputation of the Nordea Group and may result in a negative perception of the Nordea Group in the investment community or business community generally. In addition, the re-domiciliation and uncertainties related to the Merger may cause customers and other counterparties that deal with the Nordea Group to defer doing business with the Nordea Group or cause them to seek to change their existing relationships with the Nordea Group. The efforts to satisfy the conditions of the Merger may also place a significant burden on the time and availability of the Nordea Group's management and internal resources responsible for, among other things, the coordination of regulatory projects and the migration of internal processes, IT and other systems. In addition, it is possible that the Nordea Group may not be able to retain certain key employees who may seek different employment either in anticipation of the completion of the Merger or if the Merger were to fail.

As a result, there can be no assurances that the re-domiciliation and the Merger, including a failure to complete the Merger or a delay in completing the Merger, would not adversely affect the Nordea Group's business, results of operations and financial condition.

A failure to complete or a delay in completing the actions carried out as part of the remediation process related to the re-domiciliation and Merger could delay the completion, or lead to the failure, of the Merger and adversely affect the Nordea Group's business, results of operations and financial condition.

As discussed in more detail under “*Merger of Nordea Sweden into Nordea Finland—Overview of the Merger*”, Nordea Sweden has, in preparation for the decision to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, carried out a legal and operational due diligence review related to the proposed re-domiciliation and Merger. Based on the results of the due diligence process, Nordea Sweden has initiated a remediation process in relation to areas within the operations of the Nordea Group where actions, such as amendments and updates to certain customer contracts, supplier contracts and funding arrangements (including obtaining any consents required for such amendments), notifications to counterparties and authorities as well as changes to selected internal systems and processes, have been deemed required or appropriate in order to facilitate the re-domiciliation and Merger. The remediation process is subject to certain risks and uncertainties, including the inability of Nordea Sweden to carry out the actions identified as required or appropriate. Any delay in carrying out such actions or a failure to complete the actions as part of the remediation process, or a failure to identify actions that would have been required or appropriate in order to facilitate the re-domiciliation and Merger, could result in a delay in the implementation of the Merger or, ultimately, lead to a failure to complete the Merger or to certain counterparties terminating their business with the Nordea Group. In addition, a delay or failure to complete the actions in the remediation process could result in the Nordea Group not obtaining the anticipated benefits of the Merger, have an adverse effect on the Nordea Group's ability to meet its liquidity and funding requirements, adversely affect the reputation of the Nordea Group and may result in a negative perception of the Nordea Group in the investment community or business community generally.

There can be no assurances that the risks and uncertainties associated with the remediation process, including a failure to complete the actions or a delay in completing the actions in the remediation process, would not adversely affect the Nordea Group's business, results of operations and financial condition, or result in a delay in completing the Merger, or ultimately lead to a failure to complete the Merger.

Nordea may not be able to realise the savings it expects to generate through the re-domiciliation and Merger.

As discussed in more detail under “*Merger of Nordea Sweden into Nordea Finland—Overview of the Merger—Effect of Re-domiciliation on Resolution and Deposit Guarantee Fees and Certain Other Costs*”, Nordea estimates the net present value of the savings related to resolution fees, deposit guarantee fees and other transitional effects due to the re-domiciliation to Finland to be approximately EUR 0.9–1.2 billion. This estimate reflects, on the one hand, expected savings related to resolution fees, deposit guarantee fees and interest deductibility on subordinated debt and, on the other hand, funding, execution and certain other costs. The final resolution and deposit guarantee fees and other amounts and costs depend, among other things, on the exact timing of the re-domiciliation and the proposed Merger, which is planned to take place during the second half of 2018, tentatively on 1 October 2018. The estimates related to the expected savings are subject to change and based on a number of assumptions and judgments relating to, among others, the level of resolution and deposit guarantee fees going forward and transitional effects due to the re-domiciliation, and have been prepared based on Nordea Sweden's current expectation on the development of the commercial, regulatory and economic environments. The estimates do not reflect unanticipated events that, among others, may result from developments in the regulatory regime, including the applicable capital requirements and tax regulations, that the Nordea Group will be subject to. There can be no assurances that the anticipated cost savings related to the re-domiciliation and Merger will materialise, and any failure to fully materialise the anticipated cost savings could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

There is uncertainty relating to the tax treatment of the Merger in certain jurisdictions and local tax authorities may challenge the tax neutrality of the Merger.

The Merger is intended to be carried out on a tax neutral basis, which means that the Merger would not give rise to any material immediate taxation. In order to determine the tax impact of the Merger on Nordea, in addition to seeking advice from external advisors, Nordea has filed applications for advance rulings on the tax treatment of the Merger in Finland and Norway. As of the date of this Prospectus, some of the applications that have been filed are still pending, including Nordea's application for advance ruling with respect to the tax neutral treatment of the Merger in Norway. While no formal ruling based on this application has yet been issued, Nordea has been informed that the Norwegian Tax Authority may in its formal ruling determine that the Merger cannot be carried out on a tax neutral basis under Norwegian tax laws. Should the formal ruling be as has been indicated, and assuming Nordea's potential appeal of such ruling will not be successful, carrying out the Merger as currently planned would result in a realisation taxation for Nordea of 25 per cent in Norway on the difference between the book value and market value, including off balance sheet items such as goodwill, of Nordea's Norwegian branch.

Should the Norwegian or any other local tax authorities determine that the Merger would not be deemed tax neutral under the applicable tax laws, Nordea may appeal the relevant adverse tax ruling or, among other alternatives, consider alternate transaction structures that could be implemented prior to the completion of the Merger. However, there can be no assurances that any such appeal would be successful, or that any feasible transaction structure alternatives would be available or that the re-domiciliation could be implemented using such structures prior to the currently contemplated Completion Date. An adverse tax ruling could impact the estimated benefits expected to arise from the re-domiciliation and the Merger and adversely affect the Nordea Group's business, results of operations and financial condition.

Risks Relating to the Shares in Nordea Finland

Nordea Finland's ability to pay dividends or other distributions of unrestricted equity in accordance with its dividend policy or otherwise is dependent on the availability of distributable funds and Nordea Finland may be unable to, or decide not to, pay any dividends or other distributions of unrestricted equity in the future.

Pursuant to the Finnish Companies Act, the amount distributed by Nordea Finland as dividends or other distribution of unrestricted equity may not exceed the amount of distributable funds shown on its latest unconsolidated parent company audited financial statements adopted by the general meeting. As Nordea Finland will, following the completion of the Merger, be the parent company of the Nordea Group, its distributable funds and, by extension, its ability to pay dividends or make other distributions of unrestricted equity, will depend, among other things, upon the level of income to be derived from its subsidiaries, if any, as well as its cash balances. As a result, any potential distribution of dividends or other distributions of unrestricted equity by Nordea Finland will depend on Nordea Finland's and its subsidiaries' results of operations, financial condition, cash flows, need for working capital, capital expenditure, future outlook, terms of its financing agreements, ability to upstream any income to Nordea Finland from its subsidiaries and other factors. Any payment of dividends or other distributions of unrestricted equity will always be at the discretion of the board of directors of Nordea Finland and, ultimately, be dependent on a resolution of a general meeting. Moreover, under the Finnish Companies Act, the distribution of dividends is not permitted if it is known or should be known at the time of the distribution decision that Nordea Finland is insolvent or that the distribution will cause the insolvency of Nordea Finland. In addition, pursuant to the Finnish Act on Credit Institutions, if the amount of the own funds or consolidated own funds of a credit institution falls below the capital requirement laid down in the CRR or in the Finnish Act on Credit Institutions, the credit institution, such as Nordea Finland, may not distribute dividends unless the FFSA, for a special reason, grants an exemption for a fixed period. See also "*Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—CRD IV introduces capital requirements that are in addition to the minimum capital ratio*" below.

According to Nordea Sweden's dividend policy, Nordea Sweden strives to maintain a strong capital position in line with its capital policy with an ambition to achieve a yearly increase in the dividend per share. The board of directors of Nordea Sweden has, on 24 January 2018, proposed that the AGM of Nordea Sweden scheduled to be held on 15 March 2018 resolve on a dividend of EUR 0.68 per share. The current intention is to maintain Nordea Sweden's dividend policy for the parent company of the Nordea Group irrespective of the proposed re-domiciliation and Merger. Notwithstanding any dividend policy adopted by Nordea Finland, Nordea Finland will evaluate the preconditions for the payment of dividends or other distributions of unrestricted equity annually, while also considering, among other things, the Nordea Group's structure, financial condition, general economic and business conditions and future prospects, which may result in a deviation from the dividend policy, including a decision not to distribute any dividends. The amount of any dividends paid by Nordea Finland in any given financial year is, therefore, uncertain. Further, any payment of dividends, or other distributions of unrestricted equity, by Nordea Sweden with respect to prior financial periods is not an indication of the dividends to be paid by Nordea Finland for financial periods in the future, if any. See also "*Dividends and Dividend Policy*".

Possible changes in the Finnish withholding tax regime may increase the withholding tax rate of unidentified nominee-registered shareholders.

Where shares in a Finnish company are held through a nominee account, a Finnish company pays dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owners. If shares are held through a nominee account and the person entitled to receive dividends on such shares is a resident in a country that has a treaty with Finland for the avoidance of double taxation (a "**Tax Treaty**"), the withholding tax rate on the dividend is 15 per cent (or a higher rate set forth in the relevant Tax Treaty) even if identification details of the person beneficially entitled to the dividend are not available. Application of this simplified procedure, however, requires that certain requirements regarding the custodian intermediary and its agreement with the Finnish account operator are met. For further information, see "*Taxation—Finnish Tax Considerations—Taxation of Dividends*".

On 26 January 2018, the Finnish Ministry of Finance published a draft proposal on abolishing the current simplified procedure in relation to nominee-registered shares. If the draft proposal were to be adopted in its form as of the date of this Prospectus, a tax prepayment of 50 per cent would be levied on dividends payable on nominee-registered shares if the registered custodian or dividend distributor knows the ultimate receiver of the dividend to be a Finnish tax resident

but identification information is not provided to the Finnish Tax Administration. If the registered custodian has not identified the ultimate receiver of the dividend as a Finnish tax resident, but the person has not allowed the provision of identification information, a withholding tax of 35 per cent would be levied. In order to achieve a withholding tax rate based on the relevant Tax Treaty, the distributor of the dividend must be provided with the ultimate recipient's identification information and a confirmation of the relevant Tax Treaty residency. While the Finnish tax legislation allows shareholders to retroactively reclaim any excess tax prepayment of the withholding tax, should the legislation be amended in accordance with the draft proposal, the amount of tax withholding may increase in respect of the nominee-registered shares and the reclaim process may require additional actions and costs by the beneficial owners of nominee-registered shares.

The receipt of the Merger Consideration by the shareholders of Nordea Sweden may be a taxable event in certain jurisdictions and shareholders in Nordea Sweden are advised to consult professional tax advisors as to the tax implications that may arise from the Merger.

The receipt of the Merger Consideration by the Nordea Sweden shareholders in the form of shares in Nordea Finland may trigger transfer or other similar taxes in certain jurisdictions. Whether the Merger results in such tax ramifications generally depends on whether relevant tax authorities treat the receipt of the Merger Consideration by the shareholders of Nordea Sweden as a disposal of their shares in Nordea Sweden. For example, under applicable tax laws in Finland and Denmark, the receipt of the Merger Consideration in shares of Nordea Finland is not considered a taxable transfer of shares in Nordea Sweden. The Finnish Central Board of Taxes has issued a binding ruling on tax treatment of the conversion of Nordea Sweden FDRs into shares in Nordea Finland in a natural person's income taxation. The binding ruling is not final as of the date of this Prospectus due to the pending appeal period. According to the binding ruling, the conversion of Nordea Sweden FDRs into shares in Nordea Finland in the Merger is not a disposal in taxation. The original acquisition cost of the Nordea Sweden FDRs is considered to be the acquisition cost for the shares in Nordea Finland received as Merger Consideration and the ownership period of the shares in Nordea Finland is calculated from the acquisition of the Nordea Sweden FDRs. In Sweden, the receipt of the Merger Consideration will not cause any taxable capital gains or tax-deductible capital losses for natural persons who are domiciled or permanently stay in Sweden, while a Swedish limited liability company may defer capital gains as discussed in more detail in "*Taxation—Swedish Tax Considerations—Tax Implications of the Merger—Swedish Limited Liability Companies*". A Swedish limited liability company cannot, however, defer capital losses in accordance with the rules on deferred capital gains taxation should the Merger result in such loss, but such loss may be deferred for use in subsequent years under the Swedish Income Tax Act (Sw: *Inkomstskattelag (1999:1229)*). Further, as discussed above, Nordea's application for an advance ruling in Norway is pending and, should the Norwegian Tax Authority in its formal ruling determine that the Merger cannot be carried out on a tax neutral basis under Norwegian tax laws, it would also result in any capital gain or loss for the Norwegian resident shareholders becoming taxable in connection with the completion of the Merger. Capital gains and losses of Norwegian resident shareholders being limited liability companies and other legal entities subject to the Norwegian exemption method, will not be taxable on any capital gain and any capital loss will not be deductible. Norwegian resident shareholders who are not subject to the Norwegian exemption method may apply to the Norwegian Ministry of Finance for a tax relief in order to defer any capital gain taxation. Any losses would be deductible or deferred for use in subsequent years. There can, however, be no assurances that such tax relief can be obtained by shareholders.

The interests of certain larger shareholders of Nordea Finland may differ from the interests of other shareholders.

As of the date of this Prospectus, Sampo plc owns 21.3 per cent of the shares in Nordea Sweden (excluding shares issued for the LTIPs), and Sampo plc will own 21.3 per cent of the shares in Nordea Finland (excluding shares issued for the LTIPs) following the completion of the Merger, provided that Sampo plc's ownership in Nordea Sweden and the total number of shares in Nordea Sweden will not change between the date of this Prospectus and the Completion Date. There can be no assurances that the interests of Sampo plc, or other larger shareholders, will be in line with those of Nordea Finland's other shareholders.

Future issues or sales of a significant number of shares in Nordea Finland may have a negative effect on the market price of shares in Nordea Finland and potential future share issues by Nordea Finland may dilute the ownership of existing shareholders.

As of the Completion Date, the number of shares in Nordea Finland will correspond to the number of shares in Nordea Sweden immediately prior to the completion of the Merger. Issues or sales of a substantial number of shares in Nordea Finland, or the perception that such issues or sales may occur in the future, can have a material adverse effect on the market price of the shares in Nordea Finland as well as on Nordea Finland's ability to acquire financing from the capital markets in the future. In addition, any potential future directed share issue or, a rights issue where any existing shareholders decide not to exercise their subscription rights, could dilute shareholders' relative share of the shares and votes in Nordea Finland.

Certain foreign shareholders may not necessarily be able to exercise their pre-emptive right set forth in the Finnish Companies Act or other shareholders' rights.

Under Finnish legislation, shareholders have a pre-emptive right in proportion to their holdings if Nordea Finland were to issue new shares or securities entitling to the subscription of new shares. Certain shareholders of Nordea Finland who live or will live, or whose registered address is located in, certain countries other than Finland may not be able to exercise their subscription rights in possible future share issues, unless the shares in Nordea Finland have been registered according to the securities legislation of the country in question or in an otherwise similar manner, or unless a derogation from the registration or the equivalent regulations provided in the applicable legislation is available. There can be no assurances that local requirements will be met so as to enable the exercise of such holders' pre-emptive rights or participation in any rights offering or buy-back offer. This may lead to the dilution of such shareholders' ownership in Nordea Finland. Further, if the number of shareholders who are not able to exercise their subscription rights is high and if the subscription rights of such shareholders are sold on the market, it could have an adverse effect on the price of the subscription rights. A foreign shareholder's right to have access to information concerning share issues, share repurchases and other important transactions may also be restricted due to the legislation of the country in question. In addition, holders of nominee-registered shares in Nordea Finland are not able to directly exercise their right to vote at a general meeting unless the holder of a nominee-registered share has been temporarily entered in Nordea Finland's register of shareholders no later than on the date mentioned in the notice of the general meeting.

The market price of the shares in Nordea Finland could fluctuate considerably.

The market price of the shares in Nordea Finland could be subject to significant fluctuations due to a change in sentiment in the market regarding the shares in Nordea Finland or similar securities, and in response to various facts and events, including any variations in the Nordea Group's results of operations and business developments. Further, stock markets may from time to time experience significant price and volume fluctuations that may be unrelated to the Nordea Group's operating performance or prospects. Any of these factors could result in a decline in the market price of the shares in Nordea Finland.

The completion of transactions relating to the shares in Nordea Finland is dependent on the processes, systems and cooperation of Euroclear Finland Ltd, Euroclear Sweden AB and VP Securities A/S.

The shares in Nordea Finland constituting the Merger Consideration will be registered with Euroclear Finland Ltd ("**Euroclear Finland**"). For shareholders of Nordea Finland who held Nordea Sweden FDRs directly prior to the Merger, the shares in Nordea Finland will be recorded on such shareholders' accounts in Euroclear Finland. For shareholders of Nordea Finland who held shares in Nordea Sweden directly prior to the Merger, Euroclear Sweden AB ("**Euroclear Sweden**") will maintain an account in the Euroclear Finland system with a number of shares in Nordea Finland equivalent to the number of shares in Nordea Sweden held by such shareholders.

The shares in Nordea Finland are, following a notification of registration of the Merger from the Finnish Trade Register on or about the Completion Date, intended to be registered in the Finnish book-entry system maintained by Euroclear Finland, at which time the Nordea Sweden FDRs will be automatically cancelled.

Following the Merger, the shares in Nordea Finland constituting the Merger Consideration will be recorded on the accounts of shareholders of Nordea Sweden entered in Nordea Sweden's shareholder register maintained by Euroclear Sweden and holders of Nordea Sweden FDRs registered in the Nordea Sweden FDR register maintained by Euroclear Finland on the applicable record dates.

The completion of the proposed transactions relating to the Merger are dependent on the processes, systems as well as the cooperation of Euroclear Sweden, Euroclear Finland and VP Securities A/S ("**VP Securities**"), over which neither Nordea Sweden nor Nordea Finland has any control. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the transaction involving shares in Nordea Finland not taking place as expected or being delayed, which may cause financial losses or damage to the shareholders whose rights depended on the timely and successful completion of the transaction.

Investors with a reference currency other than the euro will become subject to certain foreign exchange risks when investing in the shares in Nordea Finland.

The shares in Nordea Finland will be priced and traded in euro on Nasdaq Helsinki, in Swedish krona on Nasdaq Stockholm and in Danish krone on Nasdaq Copenhagen, and any future payment of dividends on the shares in Nordea Finland will be denominated in euro. Exchange rate movements of the euro will therefore affect the value of any dividends paid and other distributions of unrestricted equity, such as capital repayments for investors whose principal or reference currency is not the euro. Furthermore, the market price of the shares in Nordea Finland as expressed in foreign currency will fluctuate in part as a result of foreign exchange fluctuations. This could affect the value of the shares in Nordea Finland for an investor whose principal currency is not the euro, Swedish krona or Danish krone as well as the

value of any dividends paid on the shares in Nordea Finland for an investor whose principal currency is not the euro. In addition, such investors could incur additional transaction costs in converting euro into another currency.

Risks Relating to the Nordea Group's Operations

The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation. Except where references are made to the Merger and/or transactions contemplated in connection therewith or except where it is clear from the context that the references mean otherwise, the risk factors below reflect the Nordea Group's business both before and after the completion of the Merger.

Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates

The Nordea Group is subject to extensive regulation that is subject to change.

Companies active in the financial services industry, including the Nordea Group, operate under an extensive regulatory regime. The Nordea Group is subject to laws and regulations, administrative actions and policies as well as related oversight from the local regulators in each of the jurisdictions in which it has operations. These jurisdictions include Sweden, where the Nordea Group's parent company Nordea Sweden is based, Denmark, Finland, Norway, Russia, China, Germany, Luxembourg, Poland, Singapore, the United Kingdom and the United States. The Nordea Group is classified as a global systemically important institution (“**G-SII**”) and will, following the completion of the Merger, also be under the direct supervision, and subject to the regulations, of the ECB as a result of the size of its assets. These laws and regulations, administrative actions and policies are subject to change and may from time to time require significant costs to comply with. In addition, as of the date of this Prospectus, there is uncertainty with respect to certain elements of the regulatory and supervisory framework that will be applied to the Nordea Group following the completion of the Merger, including but not limited to the detailed regulatory capital requirements that the Nordea Group will be required to comply with, selected details of the ECB and the European Single Supervisory Mechanism (the “**SSM**”) standards and requirements applicable to the Nordea Group, and the supervision by the DFSA, the FFSA, the NFSA and the SFSA as well as the ECB under the memorandum of understanding entered into by these supervisors in December 2016 (the “**Memorandum of Understanding**”) that sets out certain procedures for cooperation in respect of the prudential supervision of significant branches in Denmark, Finland, Norway and Sweden.

Areas where changes or developments in regulation and/or oversight could have an adverse impact include, but are not limited to, (i) changes in monetary, interest rate and other policies, (ii) general changes in government and regulatory policies or regimes which may significantly influence customer or investor decisions or may increase the costs of doing business in the Nordea Group's markets, (iii) changes in capital adequacy framework, imposition of onerous compliance obligations, restrictions on business growth or pricing and requirements to operate in a way that prioritises other objectives over shareholder value creation, (iv) changes in competition and pricing environments, (v) differentiation amongst financial institutions by governments with respect to the extension of guarantees to bank customer deposits and the terms attaching to such guarantees, (vi) expropriation, nationalisation, confiscation of assets and changes in legislation relating to foreign ownership, (vii) further developments in the financial reporting environment and (viii) other unfavourable political, military or diplomatic developments producing legal uncertainty, which, in each case, may affect demand for the Nordea Group's products and services.

As a result of the recent global financial and economic crises, a number of regulatory initiatives have been proposed and taken to amend or implement rules and regulations, which have had, or could likely have, an impact on the business of the Nordea Group. Such initiatives include, but are not limited to, requirements for liquidity, capital adequacy and handling of counterparty risks, regulatory tools provided to authorities to allow them to intervene in scenarios of distress and the introduction of a common system of financial transactions tax in the euro area. Most recently, the Swedish Government presented in February 2017 a proposal to amend the Swedish resolution fee regulations by raising the annual fee banks pay into Sweden's resolution reserve from the current 0.09 per cent to 0.125 per cent starting in 2018. Should the resolution fee proposal be implemented, the resolution fee payments by Swedish banks, including Nordea, would increase. While Nordea would not be subject to the increased Swedish resolution fees after the completion of the Merger and re-domiciliation to Finland, Nordea would be required to make Swedish resolution fee payments reflecting the increased rates for the time it remains domiciled in Sweden. See also “*Merger of Nordea Sweden into Nordea Finland—Overview of the Merger—Effect of Re-domiciliation on Resolution and Deposit Guarantee Fees and Certain Other Costs*”.

Following a period of significant post-crisis regulatory initiatives in the United States, the current U.S. government has expressed policy goals with respect to a financial regulatory reform that could reduce certain restrictions introduced in connection with the implementation of these initiatives. Should such reform take place, it could improve the competitive position of U.S. based financial institutions compared to institutions based in jurisdictions with stricter regulatory requirements.

Regulatory developments such as these or any other requirements, restrictions, limitations on the operations of financial institutions and costs involved, or unexpected requirements under, or uncertainty with respect to, the regulatory framework to be applied to the Nordea Group after the Merger, could have a material adverse effect on the Nordea Group's business, financial condition and results of operations. See also "*Supervision and Regulation*".

The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements.

The Basel Committee on Banking Supervision (the "**BCBS**") has introduced a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its papers released on 16 December 2010 (together with the January 2011 release (as defined below), "**Basel III**"). Basel III has been implemented in the EU by way of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "**Capital Requirements Directive**" or "**CRD**") and the direct application of the CRR in each member state of the EU (the Capital Requirements Directive together with the CRR, "**CRD IV**"). CRD IV sets higher capital and liquidity requirements on banks that are required, among other things, to hold more common equity tier 1 (CET1) capital (see also "*Supervision and Regulation—Capital Adequacy, Liquidity and Leverage—Swedish Implementation of CRD IV*" and "*—Finnish Implementation of CRD IV*"). The heightened capital requirements, the continuing regulatory developments and higher demands on liquidity have resulted, and are likely to continue to result following the completion of the Merger, in the Nordea Group, similar to other financial institutions, incurring substantial costs in monitoring and complying with these new requirements, which may also adversely affect the business environment in the financial sector. Furthermore, the EU has introduced a recovery and resolution framework for credit institutions and investment firms, which includes a so-called "bail-in" system, as well as a single supervisory mechanism, a single resolution mechanism and a full banking union in the euro area. These new requirements, other proposals and supervisory structures may impact existing business models. See also "*—Recent regulatory actions may affect the Nordea Group's funding needs and capital position*" below.

CRD IV introduces capital requirements that are in addition to the minimum capital ratio.

The capital and regulatory framework to which the Nordea Group is, and will be, subject imposes certain requirements for the Nordea Group to hold sufficient levels of capital, including common equity tier 1 (CET1) capital and additional loss absorbing capacity (including MREL and TLAC (as defined below)). A failure to comply with such requirements, as the same may be amended from time to time, may result in restrictions on Nordea's ability to make discretionary distributions in certain circumstances. As of the date of this Prospectus, there is uncertainty with respect to the regulatory framework that will be applied to the Nordea Group following the completion of the Merger, including but not limited to the detailed regulatory capital rules and requirements (such as those related to the "maximum distributable amount" ("**MDA**") level at which automatic restrictions linked to the combined buffer requirement would come into effect as discussed below) that the Nordea Group will be required to comply with (see also "*—The Nordea Group is subject to extensive regulation that is subject to change*" above).

CRD IV imposes certain restrictions, among others, on institutions that fail to meet the combined buffer requirement, as described in further detail below. Under the CRR, institutions are required to hold a minimum amount of regulatory capital of 8.0 per cent of the risk exposure amount (REA). In addition to this minimum requirement, supervisors may add extra capital to cover other risks (thereby increasing the regulatory minimum required under CRD IV) and the Nordea Group may also decide to hold an additional amount of capital. CRD IV also introduces capital buffer requirements that are in addition to the minimum capital requirement and required to be met with common equity tier 1 (CET1) capital. See "*Supervision and Regulation—Capital Adequacy, Liquidity and Leverage—CRD IV*".

As the Nordea Group is classified by the FSB (as defined below) as a G-SII, it is expected, following the completion of the Merger, to be required by the FFSA to comply with the buffer requirement for systematically important institutions as set out in the Finnish legislation. Pursuant to the Finnish Act on Credit Institutions, the buffer for G-SIIs is to be set at a level between 1.0 per cent and 3.5 per cent. Furthermore, a systemic risk buffer within the meaning of Article 133 of the CRD has recently been implemented into Finnish law through amendments to the Finnish Act on Credit Institutions pursuant to which the FFSA may impose a systemic risk buffer of 1 per cent to 5 per cent on Finnish credit institutions to be applicable from 1 January 2019 at the earliest. A buffer requirement in excess of 3 per cent requires the approval of the European Commission.

Under Article 141 (Restrictions on distributions) of the CRD (the "**Article 141 Restrictions**"), member states of the EU must require that institutions that fail to meet the combined buffer requirement (broadly, the combination of the capital conservation buffer, the institution-specific countercyclical buffer and the higher of (depending on the institution), the systemic risk buffer, the G-SIIs buffer and the other systemically important institution ("**O-SII**") buffer, in each case as applicable to the institution) will be subject to restricted "discretionary payments" (which are defined broadly by CRD IV as payments relating to common equity tier 1 (CET1) capital, variable remuneration and payments on additional tier 1 instruments).

The restrictions on “discretionary payments” will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the profits of the institution since the most recent decision on distribution of profits or “discretionary payment”. Such calculation will result in an MDA in each relevant period. As an example, the scaling is such that if the level of a bank’s total common equity tier 1 (CET1) capital falls within the bottom quartile of the combined buffer requirement, no “discretionary distributions” will be permitted to be paid. As a consequence, in the event of a breach of the combined buffer requirement it may be necessary for Nordea to reduce “discretionary payments”, including dividend payments on its shares. The Nordea Group’s current assessment is that the MDA restriction point is expected to move upwards as a consequence of the Merger, which, in turn, would decrease the “buffer to MDA” and, as a result, increase the risk of automatic restrictions linked to the combined buffer requirement coming into effect. See also *“Merger of Nordea Sweden into Nordea Finland—Overview of the Merger—Capital and Dividend Policy”*.

Separately, certain regulatory proposals may restrict Nordea’s ability to make discretionary distributions in certain circumstances under the Commission Proposals (as defined below), a firm will be deemed not to have met its combined buffer requirement, and will become subject to the Article 141 Restrictions, where it does not have own funds and eligible liabilities in an amount and quality to meet: (i) its combined buffer requirement, (ii) its 4.5 per cent pillar 1 common equity tier 1 (CET1) capital requirement, (iii) its 6.0 per cent pillar 1 tier 1 capital requirement, (iv) its 8.0 per cent pillar 1 capital requirement, and (v) its MREL/TLAC requirements (but not above the MREL guidance), including, in the case of G-SIIs, the minimum TLAC requirements (subject to a potential six-month grace period and potentially a pillar 2 requirement). Separately, the Commission Proposals also state that where an institution fails to meet or exceed its combined buffer requirement, in making distributions within the MDA, it must not make distributions relating to common equity tier 1 (CET1) capital or variable remuneration payments before having made payments on its additional tier 1 instruments. However, the European Banking Authority (the “EBA”) has issued an opinion dated 23 May 2017 in which it disagreed with the latter of these proposals. These Commission Proposals are in draft form and are still subject to the EU legislative process and national implementation and, therefore, it is not clear whether these Commission Proposals will be adopted in their current form and there may be a risk that they will negatively impact Nordea and the Nordea Group.

The SFSA has implemented the Supervisory Review and Evaluation Process (“SREP”) within pillar 2, that is, the assessment of the individual capital requirement of banks, such that a capital requirement under pillar 2 is always additional to the capital requirements according to the general capital requirements under pillar 1. Under normal circumstances, there will be no formal decision on pillar 2. The pillar 2 requirement will, therefore, not affect the level where the automatic restrictions on distributions linked to the combined buffer requirement come into effect. However, should a formal decision on the capital requirement under pillar 2 be adopted, such requirements would be included in the minimum capital requirements and, therefore, affect the level at which automatic restrictions on distributions linked to the combined buffer requirement come into effect. Following the completion of the re-domiciliation and Merger, Nordea expects, similar to all other banks supervised by the SSM, to be allocated pillar 2 add-ons that are split between a pillar 2 requirement and pillar 2 guidance. The level of both of these add-ons will be communicated by the ECB and the FFSA as part of the formal SREP by the EU Supervisory College process that is expected to be undertaken after the completion of the re-domiciliation and Merger. For SSM-supervised banks, the combined buffer requirement will be applied above the pillar 1 “own funds” and the decided pillar 2 requirement (but not above any pillar 2 guidance). See also *“Merger of Nordea Sweden into Nordea Finland—Overview of the Merger—Capital and Dividend Policy”*.

Recent regulatory actions may affect the Nordea Group’s funding needs and capital position.

BRRD

The Bank Recovery and Resolution Directive 2014/59/EU (“BRRD”) was implemented in Sweden on 1 February 2016 through the Swedish Resolution Act and in Finland on 1 January 2015 through the Finnish Act on Resolution of Credit Institutions and Investment Firms (Fi: *laki luottolaitosten ja sijoituspalveluyritysten kriisinratkaisusta (1194/2014)*) (the “**Finnish Resolution Act**”) and the Finnish Act on Financial Stability Authority (Fi: *laki rahoitusvakausviranomaisesta (1195/2014)*) (the “**Finnish Act on Financial Stability Authority**”).

Nordea operates under the BRRD. To ensure that banks always have sufficient loss-absorbing capacity, the BRRD provides for the relevant resolution authority to set minimum requirements for own funds and eligible liabilities (“MREL”) for each institution, based on, among other criteria, its size, risk and business model.

MREL/TLAC

On 9 November 2015, the Financial Stability Board (the “FSB”) published its final principles for Total Loss Absorbing Capacity (“TLAC”), which set a standard for G-SIIs that conceptually overlap with the MREL requirements. The FSB’s standard seeks to ensure that G-SIIs will have sufficient loss-absorbing capacity available in a resolution of such an entity in order to minimise any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to loss. The FSB’s standard also includes a specific term sheet for total loss-absorbency capacity, which attempts to define an internationally agreed standard. As of the date of this Prospectus, the EU is working towards

implementing the TLAC standard in EU legislation. In particular, the European Commission has proposed to incorporate TLAC into the capital requirements framework as an extension to the own funds requirements and as part of the Commission Proposals.

The FSB's standard requires all G-SIIs to meet a TLAC requirement of at least 16 per cent of risk-weighted assets as from 1 January 2019 and at least 18 per cent from 1 January 2022. This does not include any applicable Basel III regulatory capital buffers which must be met in addition to the TLAC minimum (see "*—CRD IV introduces capital requirements that are in addition to the minimum capital ratio*" above). The minimum TLAC must be at least 6 per cent of the Basel III leverage ratio denominator as from 1 January 2019 and 6.75 per cent as from 1 January 2022. The standard also requires that G-SIIs pre-position some of such loss-absorbing capacity amongst material subsidiaries on an intra-group basis. Based on the most recently updated FSB list of G-SIIs published in November 2017, Nordea constitutes a G-SII. The TLAC standard is not directly applicable to Swedish or Finnish banks pending the EU implementation of the standards. The local resolution authority may, however, set MREL requirements aligned with the TLAC requirements. Within the MREL Framework (as defined below), the resolution authority under the SRM Regulation (as defined below), the SRB (as defined below) requires the EU based G-SIIs to meet the FSB TLAC requirement by TLAC eligible instruments as from 1 January 2019.

According to the FSB standard, there is a particular need to ensure that authorities possess the necessary legal powers to expose the TLAC-eligible instruments to loss and that they can exercise their powers without material risk of successful legal challenge or giving rise to compensation costs under the "no creditor worse off than in liquidation" ("NCWOL") principle. Similarly, authorities must be confident that the holders of these instruments are able to absorb losses in a time of stress in the financial markets without spreading contagion and without necessitating the allocation of loss to liabilities where that would cause disruption to critical functions or significant financial instability. TLAC-eligible instruments should, therefore, not include operational liabilities on which the performance of critical functions depends, and TLAC should be subordinated in some way to those operational liabilities. Any instruments or liabilities that cannot be written down or converted into equity by the relevant resolution authority without giving rise to material risk of NCWOL claims should not be eligible as TLAC. To help ensure that there are sufficient resources available in resolution, the FSB expects that at least 33 per cent of the minimum TLAC requirement is met by capital instruments in the form of debt liabilities plus other TLAC-eligible instruments that are not also eligible as regulatory capital.

On 23 February 2017, the Swedish National Debt Office (Sw: *Riksgälden*) (the "**SNDO**"), which has been assigned as the Swedish resolution authority, published a decision memorandum setting forth a final framework for MREL for Swedish banks (the "**MREL Framework**"). The MREL Framework includes, among other things, the following guidance: (i) the minimum MREL requirement shall comprise of the sum of a loss absorption amount (equivalent to the bank's total capital requirements excluding the combined buffer requirement and the pillar 2 macro-prudential components) and a recapitalisation amount (equivalent to the bank's total capital requirements, excluding the combined buffer requirement) and both amounts shall be based on the applicable capital requirements for banks, (ii) the recapitalisation amount of the minimum MREL requirement should be met with eligible liabilities and not own funds, and (iii) eligible liabilities, which are used to meet the recapitalisation amount of the minimum MREL requirement, should be subordinated. Specific MREL requirements to be applied from 1 January 2018 were set for Swedish banks in accordance with the MREL Framework during the fourth quarter of 2017. However, the subordination requirement is subject to a phasing-in period and banks will not be required to meet MREL entirely with subordinated debt until 2022.

Following the completion of the Merger, the SRM Regulation will be applied to the Nordea Group and the SNDO will no longer have jurisdiction over Nordea as resolution authority. The SRM Regulation establishes a single European resolution board (the "**SRB**") that has resolution powers over the institutions that are subject to the SRM Regulation and, thereby, replaces the national authorities as the relevant resolution authority with respect to such institutions. Where the SRB performs its duties and exercises powers under the SRM Regulation, the SRB is considered to operate as the relevant authority under the BRRD. The SRB will prepare and adopt a resolution plan for the entities subject to its powers, including the Nordea Group following the completion of the Merger. It will also determine, after consulting competent authorities including the ECB, an MREL requirement subject to write-down and conversion powers which Nordea will be required to meet at all times.

On 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, the CRD, the BRRD and the SRM Regulation (the "**November 2016 Proposals**"). The November 2016 proposals also included (i) a draft amending directive to facilitate the creation of a new asset class of "non-preferred" senior debt which was published in final form on 12 December 2017 (the "**Insolvency Hierarchy Directive**") and (ii) phase-in arrangements for the regulatory capital impact of IFRS 9 and the ongoing interaction of IFRS 9 with the regulatory framework, which have subsequently been updated with final compromise texts published by the European Commission on 13 November 2017 (together with the November 2016 Proposals, the "**Commission Proposals**"). The Commission Proposals cover multiple areas, including the pillar 2 framework, the leverage ratio, mandatory restrictions on distributions, permission for reducing own funds and eligible liabilities and macro-prudential tools, and the Insolvency Hierarchy Directive creates a new category of "non-preferred" senior debt, the framework for MREL and the integration of the TLAC standard into EU legislation. The entirety of the Commission Proposals is still to be finalised and, therefore, remains subject to change.

The final version of the new legislation may not include all elements of the Commission Proposals and new or amended elements may be introduced through the course of the legislative process. The Insolvency Hierarchy Directive is also yet to be implemented as a matter of domestic law in both Sweden and Finland. Until the Commission Proposals and the domestic legislation implementing the Insolvency Hierarchy Directive are in final form, it is uncertain how these measures will affect Nordea.

On 14 December 2016, the EBA submitted a final report on the implementation and design of the MREL framework which contains a number of recommendations to amend the current MREL framework, including but not limited to the change of the reference base of MREL from total liabilities and own funds to risk weighted assets and steps towards further convergence of the MREL requirement towards the TLAC standard. Overall, and in part as a result of the proposals and recommendations discussed above, it is still uncertain how and when the MREL framework will be implemented.

As discussed above, the Commission Proposals include phase-in arrangements for regulatory capital impact of “*IFRS 9 – Financial Instruments*”, including allowing banks to add back to their common equity tier 1 (CET1) capital a portion of increases in expected credit loss provisions due to the application of “*IFRS 9 – Financial Instruments*” as extra capital during a five-year transitional period, with the added amount progressively decreasing to zero during the course of the transitional period. The Commission Proposals also include phase-in arrangements for the ongoing interaction of “*IFRS 9 – Financial Instruments*” with the regulatory framework, including potential changes to relevant accounting standards, which may in turn result in changes to the methodologies which the Nordea Group is required to adopt for the valuation of financial instruments. See also “—*Changes in the Nordea Group’s accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations*” below.

Risks Relating to MREL and TLAC Requirements

It is difficult to predict the effect MREL and/or TLAC may have on the Nordea Group until MREL and TLAC requirements have been fully implemented, and there is a risk that the MREL and/or TLAC requirements could require the Nordea Group to issue additional MREL and TLAC eligible liabilities in order to meet the new requirements within the required timeframes and to hold additional funds and/or eligible liabilities in order to satisfy the MREL and/or TLAC requirements set for the Nordea Group. This, in turn, may increase the Nordea Group’s compliance costs, delay, limit or restrict the execution of its strategy and may have a material adverse effect on the Nordea Group’s capital structure as well as on its business, financial condition and results of operations. MREL and TLAC requirements are expected to have an impact across the market, including potentially adversely affecting the credit rating of the securities issued by the Nordea Group and its competitors, and there is a risk that the relative impact may give rise to a reduction in the competitiveness of the Nordea Group. If the Nordea Group were to experience difficulties in raising MREL or TLAC eligible liabilities, it may have to reduce its lending or investments in other operations.

Following the completion of the proposed Merger, the TLAC and/or MREL eligible liabilities that Nordea Group could be required to issue will depend on the Finnish implementation of the Insolvency Hierarchy Directive. Although the Insolvency Hierarchy Directive requires the EU Member States to implement the amending directive in national insolvency laws at the latest from 29 December 2018, it is currently unclear when the Finnish implementation will take place.

Risk Exposure Amounts

On 7 December 2017, the BCBS announced that its oversight body, the Group of Central Bank Governors and Heads of Supervision, had endorsed the outstanding Basel III post-crisis regulatory reforms proposed by the BCBS. As part of the reform process, the BCBS conducted a review of the standardised approaches and internal models of the capital requirement frameworks for credit and operational risk with a view to, among other things, reducing mechanistic reliance on external ratings. In addition, the role of internal models was reviewed by the BCBS with the aim of improving comparability and address excessive variability in the capital requirements for credit risk. The BCBS also worked on the design of a capital floor framework based on the revised standardised approaches for all risk types. This framework will replace the current capital floor for credit institutions using internal models, which is based on the Basel I standard. The BCBS also calibrated the floor alongside its other work on revising the risk-based capital framework. In addition, the BCBS also conducted a review of trading book capital standards, resulting in new minimum capital requirements for market risk. The revised standards, which require implementation in the EU prior to being applicable to the Nordea Group, will take effect from 1 January 2022 and will be phased in over five years. The European Commission has also published a proposal on certain aspects of ongoing reform, such as the revised market risk framework, as part of its EU banking reform proposals. Given the various regulatory initiatives that are ongoing, it is currently not possible to determine the impact on the potential future capital requirements and how they will affect the capital position and capital requirements for Nordea or the Nordea Group. Also, at the end of 2015, the ECB started a targeted review of internal models to assess whether the internal models currently used by EU banks comply with regulatory requirements, and whether they are reliable and comparable. This review, the results of which Nordea Finland and the Nordea Group would

need to comply with assuming the Merger is completed, is expected to be finalised in 2019 and could result in an increase in risk-weighted assets and a decrease in the common equity tier 1 (CET1) capital ratio of Nordea and the Nordea Group.

Upon the completion of the Merger, the supervision of the Nordea Group will be transferred to the ECB and the Nordea Group will become subject to the European Single Supervisory Mechanism and the European Single Resolution Mechanism.

The licensing of credit institutions and the supervision of the most significant banks and financial groups in the euro area were transferred to the ECB as of 4 November 2014 in the context of the SSM. Furthermore, the EU has adopted a directly applicable regulation governing the resolution of the most significant financial institutions in the euro area, that is, a regulation establishing a single resolution mechanism (the “**Single Resolution Mechanism**”) for financial institutions (Regulation (EU) No 806/2014, the “**SRM Regulation**”). The Single Resolution Mechanism establishes the SRB that has resolution powers over the entities that are subject to the SRM Regulation and, thereby, replaces the national authorities as the relevant resolution authority with respect to such institutions. Following the completion of the Merger, the Nordea Group is expected to be subject to the resolution powers of the SRB.

The SRB will have the authority to exercise the specific resolution powers pursuant to the SRM Regulation similar to those of the national resolution authorities under the BRRD. These specific resolution powers include the sale of business tool, the bridge institution tool, the asset separation tool, the bail-in tool and the mandatory write-down and conversion power in respect of capital instruments and eligible liabilities. The use of one or more of these tools will be included in a resolution scheme to be adopted by the SRB. National resolution authorities will remain responsible for the execution of the resolution scheme according to the instructions of the SRB.

The SRB will prepare and adopt a resolution plan for the entities subject to its powers, including the Nordea Group following the completion of the Merger. It will also determine, after consulting competent authorities including the ECB, a minimum MREL requirement which the Nordea Group is expected to be required to meet at all times following the completion of the Merger. The SRB will also have the powers of early intervention as set forth in the SRM Regulation, including the power to require the Nordea Group to contact potential purchasers in order to prepare for resolution of the Nordea Group. These will be launched if the SRB assesses that the following conditions are met: (i) the Nordea Group is failing or is likely to fail; (ii) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action or the write-down or conversion of relevant capital instruments, taken in respect of the Nordea Group, would prevent its failure within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest.

The exercise of resolution powers by the SRB with respect to the Nordea Group or any suggestion of such exercise will likely materially adversely affect the price or value of the shares in Nordea Finland.

Risks Relating to Liquidity and Capital Requirements

Liquidity risk is inherent in the Nordea Group’s operations.

Liquidity risk is the risk that the Nordea Group will be unable to meet its obligations as they fall due or meet its liquidity commitments only at an increased cost. A substantial portion of the Nordea Group’s liquidity and funding requirements is met through reliance on customer deposits, as well as ongoing access to wholesale funding markets, including issuance of long-term debt market instruments, such as covered bonds. The volume of these funding sources, in particular long-term funding, may be constrained during periods of liquidity stress. 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, which may result in a material adverse effect on the Nordea Group’s business and results of operations.

The Nordea Group’s business performance could be affected if its capital adequacy ratios are reduced or perceived to be inadequate.

The Nordea Group is required to maintain certain capital adequacy ratios pursuant to EU and Swedish legislation, and will be, upon the completion of the Merger, required to maintain certain capital adequacy ratios pursuant to EU and Finnish legislation. See “*Risk Management—Capital Management*”. The BCBS has proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in Basel III. Basel III has been implemented in the EU by way of the CRD and the direct application of the CRR in each member state of the EU. After various delays, CRD IV was adopted in June 2013. The CRR has applied in all Member States from 1 January 2014 and the Swedish and Finnish legislation implementing the CRD entered into force in 2014. See also “*Supervision and Regulation—Capital Adequacy, Liquidity and Leverage—Swedish Implementation of CRD IV*” and “*—Finnish Implementation of CRD IV*” for a description of the implementation of CRD IV in Sweden and Finland, respectively.

Local regulators may, nevertheless, require higher capital buffers than those required under current or proposed future regulations due to, among other things, the continued general uncertainty involving the financial services industry and the concerns over global and local economic conditions or, in the case of institution-specific capital requirements, over the financial position of an institution. Any such requirements, or perception by debt and equity investors, analysts or other market professionals that the capital buffers should be higher, or any concern regarding compliance with future capital adequacy requirements, could increase the Nordea Group's borrowing costs, limit its access to capital markets or result in a downgrade in its credit ratings, which could have a material adverse effect on its results of operations, financial condition and liquidity. In addition, lower internal credit rating of customers, substantial market volatility, widening credit spreads, changes in the general capital adequacy regulatory framework or regulatory treatment of certain positions, such as changes in risk weights assigned to asset classes, fluctuations in foreign exchange rates, decreases in collateral ratios as a consequence of the deterioration of the market value of underlying assets, or deterioration of the economic environment, among other things, could result in an increase in the Nordea Group's risk exposure amount (REA), which potentially may reduce the Nordea Group's capital adequacy ratios. If the Nordea Group were to experience a reduction in its capital adequacy ratios, and could not raise further capital, it would have to reduce its lending or investments in other operations. See also "*Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements*" above.

Legal and regulatory claims arise in the conduct of the Nordea Group's business.

In the ordinary course of its business, the Nordea Group is subject to regulatory oversight and liability risk. The Nordea Group carries out, and will following the re-domiciliation and Merger continue to carry out, operations through a number of legal entities in a number of jurisdictions and is subject to regulations, including, but not limited to, regulations on conduct of business, anti-money laundering, economic and financial sanctions, payments, consumer credits, capital requirements, reporting and corporate governance, in such jurisdictions. Regulations and regulatory requirements are also continuously amended and new requirements are imposed on the Nordea Group. There can be no assurances that breaches of regulations by the Nordea Group will not occur and, to the extent that such a breach does occur, that significant liability or penalties will not be incurred.

The Nordea Group is involved in a variety of claims, disputes, legal proceedings and investigations in jurisdictions where it is active. These types of claims, disputes, legal proceedings or investigations, the outcomes of which can be difficult to predict, expose the Nordea Group to monetary damages, direct or indirect costs (including legal costs), direct or indirect financial losses, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, criticism or penalties by supervisory authorities as well as the potential for regulatory restrictions on its businesses, all of which could have a material adverse effect on the Nordea Group's business, financial condition and results of operations. Adverse regulatory actions against the Nordea Group or adverse judgments in litigation to which the Nordea Group is party could result in restrictions or limitations on the Nordea Group's operations or result in a material adverse effect on the Nordea Group's business, financial condition and results of operations. See also "*Risk Management—Compliance Risk*" and "*Description of the Nordea Group—Legal and Administrative Proceedings*".

The Nordea Group is exposed to risk of changes in tax legislation, including increases in tax rates.

The Nordea Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. The Nordea Group's business, including intra-group transactions, is conducted in accordance with the Nordea Group's interpretation of applicable laws, tax treaties, regulations and instructions from the tax authorities in the relevant countries. However, the applicable laws, tax treaties, court tax practice and tax authority administrative practice may change over time. Any future legislative changes or decisions by tax authorities in Sweden, Finland and other jurisdictions where the Nordea Group is active may impair the tax position of the Nordea Group.

Changes in the Nordea Group's accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations.

From time to time, the International Accounting Standards Board (the "IASB"), the EU and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of the Nordea Group's financial statements. These changes can be difficult to predict and can materially impact how the Nordea Group records and reports its results of operations and financial condition. In some cases, the Nordea Group could be required to apply a new or revised standard retrospectively, resulting in restating prior period financial statements or adjusting the opening balances. See also "*Recent regulatory actions may affect the Nordea Group's funding needs and capital position*" above and "*Operating and Financial Review and Prospects—Recent Accounting Pronouncements*".

The Nordea Group's funding costs and its access to the debt capital markets depend significantly on its credit ratings.

There can be no assurances that Nordea or its mortgage subsidiaries will be able to maintain their current ratings, or that Nordea Finland, the future parent company of the Nordea Group upon the completion of the Merger, will be assigned the

same credit rating that is currently assigned to Nordea Sweden, or that the Nordea Group will retain current ratings on its debt instruments. A reduction in the current long-term ratings of Nordea or one of its mortgage subsidiaries, or a lower than expected credit rating assigned to Nordea Finland, may increase their funding costs, limit access to the capital markets and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. Therefore, a reduction in credit ratings could adversely affect the Nordea Group's access to liquidity and its competitive position and, as a result, have a material adverse effect on its business, financial condition and results of operations. For information regarding the credit ratings of Nordea Sweden and its subsidiaries as of the date of this Prospectus, see "*Operating and Financial Review and Prospects—Ratings*".

Risks Relating to Macroeconomic Conditions

Negative economic developments and conditions in the markets in which the Nordea Group operates can adversely affect the Nordea Group's business and results of operations.

The Nordea Group's performance is significantly influenced, and will following the re-domiciliation and Merger continue to be significantly influenced, by the general economic conditions in the countries in which it operates, in particular the Nordic markets (Denmark, Finland, Norway and Sweden) and, to a lesser degree, in Russia and, through Nordea's ownership in Luminor, a Baltic bank owned by Nordea and DNB that comprises Nordea's and DNB's customers across Estonia, Latvia and Lithuania, the Baltic countries. In recent years, the economic conditions in the Nordic region have, in general, developed more favourably relative to the rest of Europe, benefiting from generally sound public finances. However, there have been differences between countries within the region. In 2015, the Swedish economy grew in excess of 3 per cent. In Denmark, the economy experienced firm growth in the beginning of 2015 but the growth slowed somewhat in the second half of 2015. The Norwegian economy grew in the first part of 2015 but was increasingly impacted by the accelerated deterioration in oil prices later in the year. The Finnish economy remained more subdued in 2015, with growth rates fluctuating between positive and negative over the year. In 2016, the development of the Nordic economies was characterised by divergence. In Sweden, the development continued to be strong with growth again exceeding 3 per cent. In Denmark, the economy initially grew steadily but slowed somewhat in the second half of 2016. Still, the full-year development was positive, continuing the gradual improving trend. In 2016, Norway's economy initially maintained growth but was gradually adversely impacted following the deterioration in oil prices. Even though the Finnish economy grew in 2016, the economic development in Finland remained more muted with growth rates fluctuating between positive and negative over the quarters. The global economy experienced accelerated growth in 2017, with a moderate increase in inflation and low volatility in financial markets. Despite some concerning geopolitical developments, global asset prices increased strongly and financial markets volatility was extremely low in 2017. Support from central banks remained strong. The U.S. economy expanded at a robust pace and its central bank continued interest rate policy normalisation. The European economy expanded at its highest rate since 2011, supported by low interest rates, falling unemployment and strong domestic demand. Concerns about emerging market growth continued to dissipate as world trade activity increased up and commodities prices rose. In 2017, the Nordic economies saw synchronised growth for the first time in many years. In Sweden, the economic picture remained strong with growth above 2.5 per cent, while the Danish economy grew by 2 per cent, despite negative growth during the third quarter due to temporary factors. The growth in Norway also picked up, supported by the recovery in oil prices and low unemployment. In Finland, the economy expanded by more than 3 per cent driven both by strong domestic demand and higher exports. There can be no assurances that these improved economic conditions will continue. In recent years, the Russian economy has been negatively impacted by the crisis in the region of Crimea and eastern Ukraine. Adverse economic developments have affected and may continue to affect the Nordea Group's business in a number of ways, including, among others, the income, wealth, liquidity, business and/or financial condition of the Nordea Group's customers, which, in turn, could further reduce the Nordea Group's credit quality and demand for the Nordea Group's financial products and services. As a result, any or all of the conditions described above could continue to have a material adverse effect on the Nordea Group's 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.

Accommodative monetary policies, in particular low interest rate levels, in the countries where the Nordea Group operates have recently also had, and are expected to continue to have, an impact on the Nordea Group's business, financial condition and results of operations. In the last three years, the ECB and local central banks have reduced interest rates to record lows, with interest rates reaching negative levels in many countries, including Denmark, Sweden and the euro countries. Any further reductions in interest rates or a prolonged period of low interest rates may result in a decrease in the net interest margin of the Nordea Group, which, in turn, could have a material adverse effect on the Nordea Group's business, financial condition and results of operations. See also "*—Risks Relating to Market Exposure—The Nordea Group is exposed to structural market risk—Structural Interest Rate Risk*" below.

Disruptions and volatility in the global financial markets may adversely impact the Nordea Group.

In recent years, the global financial markets have experienced significant disruptions and volatility as a result of, among other things, concerns regarding the overall stability of the euro area, fears related to a slowdown of the Chinese economy and uncertainty relating to the timing of monetary policy changes in the United States. In Europe, the continued

modest GDP growth and low inflation have raised concerns, as evidenced by the quantitative easing programme introduced by the ECB in January 2015 and its subsequent extension to at least September 2018, and the uncertainty over the continued weak economic development of certain countries in the euro area, in particular Greece and Italy, and their remaining a member in the euro area has continued. The market conditions have also been, and are likely to continue to be, affected by the slower economic growth and increased debt levels in China, the prospect of additional interest rate hikes in the United States and the low and volatile global oil prices. Geopolitical events, such as continued tensions in the Middle East, eastern Ukraine and the Korean Peninsula, the United Kingdom's decision to withdraw from the EU and recent changes in certain policy goals of the U.S. government, have also caused, and are likely to continue to cause, uncertainty in the markets and concern about the development of the global economy. There can also be no assurances that a potential tightening of liquidity conditions in the future as a result of, for example, further deterioration of public finances of certain European countries will not lead to new funding uncertainty, resulting in increased volatility and widening credit spreads. Risks related to the economic development in Europe have also had and, despite the recent periods of moderate stabilisation, may continue to have, a negative impact on global economic activity and the financial markets. If these conditions continue to persist, or should there be any further turbulence in these or other markets, this could have a material adverse effect on the Nordea Group's ability to access capital and liquidity on financial terms acceptable to the Nordea Group. Further, any of the foregoing factors could have a material adverse effect on the Nordea Group's business, financial condition and results of operations both before and after the completion of the Merger.

Risks Relating to the Nordea Group's Credit Portfolio

Deterioration in counterparties' credit quality may affect the Nordea Group's financial performance.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are, and will following the re-domiciliation and Merger continue to be, inherent in a wide range of the Nordea Group's businesses. The Nordea Group makes provisions for loan losses in accordance with IFRS. However, the provisions made are based on available information, estimates and assumptions and are subject to uncertainty, and there can be no assurances that the provisions will be sufficient to cover the amount of loan losses as they occur. 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 the Nordea Group's individual provisions and potentially in collective provisions for impaired loans, which in turn would adversely affect the Nordea Group's financial performance. In particular, the Nordea Group's exposure to corporate customers is subject to adverse changes in credit quality should the economic environment in the Nordea Group's markets deteriorate. For example, the significant decline in global oil prices in the second half of 2015 and the resulting challenging operating environment negatively affected the shipping and offshore sector in 2016 and 2017. The ability of the Nordea Group's borrowers may also be affected by foreign exchange risk to the extent their loans are denominated in a currency other than the currency they earn their main income in. For more information on the Nordea Group's outstanding loans, see "*Selected Statistical Data and Other Information—Loans Outstanding by Jurisdiction and Industry*" and "*Risk Management—Credit Risk Management*". See also "*—Risks Relating to Macroeconomic Conditions—Negative economic developments and conditions in the markets in which the Nordea Group operates can adversely affect the Nordea Group's business and results of operations*" above and "*—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—Changes in the Nordea Group's accounting policies or in accounting standards could materially affect how it reports its financial condition and results of operations*" and "*—Other Risks Relating to the Nordea Group's Operations—The operations of the Nordea Group outside the Nordic markets, in particular Russia, are subject to risks that do not apply, or apply to a lesser degree, to its businesses in the Nordic markets*" below. Further, actual loan losses vary over the business cycle. 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.

The Nordea Group routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, funds and other institutional and corporate clients. Many of these transactions expose the Nordea Group to the risk that the Nordea Group's counterparty in a foreign exchange, interest rate, commodity, equity or credit derivative contract defaults on its obligations prior to maturity when the Nordea Group has an outstanding claim against that counterparty. Counterparty credit risk also appears in repurchasing agreements and other securities financing contracts. Due to volatility in foreign exchange and fixed income markets during the past years, counterparty credit risk has remained at an elevated level compared to the period preceding the global financial and economic crisis. This credit risk may also be exacerbated when the collateral held by the Nordea Group cannot be realised or is liquidated at prices not sufficient to recover the full amount of the counterparty exposure. Any of the foregoing could have a material adverse effect on the Nordea Group's business, financial condition and results of operations. For more information on the Nordea Group's credit risk exposure, see "*Risk Management—Credit Risk Management*".

As a consequence of its transactions in financial instruments, including foreign exchange rate and derivative contracts, the Nordea Group is also exposed to settlement risk and transfer risk. Settlement risk is the risk of losing the principal on a financial contract due to default by the counterparty after the Nordea Group has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or security has been finally confirmed. Transfer risk is the risk attributable to the transfer of money from a country other than the country where a borrower is domiciled, which is affected by the changes in the economic conditions and political situation in the countries concerned.

Risks Relating to Market Exposure

The Nordea Group is exposed to market price risk.

The Nordea Group's customer-driven trading operations and its treasury operations (where the Nordea Group holds investment and liquidity portfolios for its own account) are, and will following the re-domiciliation and Merger continue to be, the key contributors to market price risk in the Nordea Group. The fair value of financial instruments held by the Nordea Group, including bonds, equity investments, cash in various currencies, investments in private equity, hedge and credit funds, commodities and derivatives, are sensitive to volatility of and correlations between various market variables, including interest rates, credit spreads, equity prices and foreign exchange rates. To the extent volatile market conditions persist or recur, the fair value of the Nordea Group's bond, derivative and structured credit portfolios, as well as other classes, could fall more than estimated, and therefore cause the Nordea Group to record write-downs. Future valuations of the assets for which the Nordea Group has already recorded or estimated write-downs, which will reflect the then-prevailing market conditions, may result in significant changes in the fair values of these assets. Further, the value of certain financial instruments is recorded at fair value, which is determined by using financial models incorporating assumptions, judgments and estimations that are uncertain and which may change over time or may be inaccurate. Any of these factors could require the Nordea Group to recognise further write-downs or realise impairment charges, which may have a material adverse effect on the Nordea Group's business, financial condition and results of operations. In addition, because the Nordea Group's trading and investment income depends to a great extent on the performance of financial markets, volatile market conditions could result in a significant decline in the Nordea Group's trading and investment income, or result in a trading loss, which, in turn, could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

The Nordea Group is exposed to structural market risk.

Structural Interest Rate Risk

Like all banks, the Nordea Group earns interest from loans and other assets, and pays interest to its depositors and other creditors. The net effect of changes to the Nordea Group's net interest income depends on the relative levels of assets and liabilities that are affected by the changes in interest rates. The Nordea Group is exposed to structural interest income risk ("SIIR") when there is a mismatch between the interest rate re-pricing periods, volumes or reference rates of its assets, liabilities and derivatives. This mismatch could, in the event of changes in interest rates, have a material adverse effect on the Nordea Group's financial condition and results of operations both before and after the completion of the Merger. For more information on the Nordea Group's SIIR, see "*Risk Management—Structural Interest Income Risk—SIIR Analysis*".

Structural Foreign Exchange Risk

The Nordea Group is, and will following the re-domiciliation and Merger continue to be, 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. Because the Nordea Group shows translation differences between the local currency denominated equity positions of its fully consolidated subsidiaries, the euro effects arising from currency translation may reduce equity. In addition, because some of the Nordea Group's consolidated risk exposure amount (REA), against which the Nordea Group is required to hold a minimum level of capital, is denominated in local currencies, any significant depreciation of the euro against these local currencies would adversely impact the Nordea Group's capital adequacy ratios. The Nordea Group is also subject to foreign exchange risk in connection with its non-euro denominated funding arrangements. While the Nordea Group generally follows a policy of hedging its foreign exchange risk, including by seeking to match the currency of its assets with the currency of the liabilities that fund them and by entering into hedging arrangements with respect to currency exposures, there can be no assurances that the Nordea Group will be able to successfully hedge some or all of this currency risk exposure or that it will in all instances be feasible for the Nordea Group to hedge such exposure. For more information on the market risks the Nordea Group faces, including structural foreign exchange risk, see "*Risk Management—Market Risk*".

Other Risks Relating to the Nordea Group's Operations

Operational risks, including risks in connection with investment advice, may affect 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. The Nordea Group's operations are carried out through a number of entities. Operational losses, including monetary damages, reputational damage, costs, and direct and indirect financial losses and/or write-downs, may result from inadequacies or failures in internal processes, IT and other systems (including the implementation of new systems and platforms), licences from external suppliers, fraud or other criminal actions, employee errors, outsourcing, failure to properly document transactions or agreements with customers, vendors, subcontractors, cooperation partners and other third parties, or to obtain or maintain proper authorisation, or from customer complaints, failure to comply with regulatory requirements, including but not limited to anti-money laundering, economic and financial sanctions, data protection and antitrust regulations, conduct of business rules, equipment failures, failure to protect its assets, including intellectual property rights and collateral, failure of physical and security protection, natural disasters or the failure of external systems, including those of the Nordea Group's suppliers or counterparties and failure to fulfil its obligations, contractual or otherwise. 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. See also "*Description of the Nordea Group—Information Technology*".

As a part of its banking and asset management activities, the Nordea Group provides its customers with investment advice, access to internally as well as externally managed funds and serves as custodian of third-party funds. In the event of losses incurred by its customers due to investment advice from the Nordea Group, or the misconduct or fraudulent actions of external fund managers, the Nordea Group's customers may seek compensation from the Nordea Group. Such compensation might be sought even if the Nordea Group has no direct exposure to such risks, or has not recommended such counterparties to its customers. In addition, providing investment advice is subject to reputational risk, and claims from customers or penalties imposed by competent authorities with respect to investment advice provided by the Nordea Group could have a material adverse effect on the Nordea Group's reputation, business, financial condition and results of operations.

The operations of the Nordea Group outside the Nordic markets, in particular Russia, are subject to risks that do not apply, or apply to a lesser degree, to its businesses in the Nordic markets.

The Nordea Group's operations outside the Nordic markets present, and will following the re-domiciliation and Merger continue to present, various risks that do not apply, or apply to a lesser degree, to its businesses in the Nordic markets. Some of these markets, in particular Russia, are typically more volatile and less developed economically and politically than markets in Western Europe and North America. The Nordea Group faces economic and political risk, including economic volatility, recession, inflationary pressure, exchange rate fluctuation risk and interruption of business, as well as civil unrest, moratorium, imposition of exchange controls, sanctions relating to specific countries, expropriation, nationalisation, renegotiation or nullification of existing contracts, sovereign default and changes in law or tax policy. For example, the crisis in the region of Crimea and eastern Ukraine that commenced in early 2014 and related events, such as the sanctions imposed by the United States and the EU against Russia, have had an adverse effect on the economic climate in Russia. Should the crisis in these regions continue or new or escalated tensions between Russia and Ukraine or other countries emerge, or should additional economic, financial or other sanctions in response to such crises or tensions be imposed, this could have a further adverse effect on the economies in Russia, neighbouring regions and other countries. Even though the Nordea Group has in recent years reduced its exposure in Russia, risks related to the Nordea Group's remaining operations in Russia could impact the ability or obligations of the Nordea Group's borrowers to repay their loans and the ability of the Nordea Group to utilise collateral held as security and affect interest rates and foreign exchange rates, and could produce social instability and adversely impact levels of economic activity, which would have a material adverse effect on the Nordea Group's business, financial condition and results of operations in Russia.

Profitability in the Nordea Group's life and pension business depends on regulations and guidelines in the countries in which it operates.

In addition to insurance risk and investment risks related to its life insurance business common to all life insurance and pension providers, the Nordea Group's ability to generate profit from its insurance subsidiaries generally depends on the level of fees and other income generated by the insurance and pension business. The level of fees and other income which the Nordea Group may earn from its life insurance subsidiaries differs from country to country, depending on regulations and guidelines promulgated by the relevant financial services authorities on shareholder fees, IFRS bridging, profit sharing and solvency requirements. See also "*Operating and Financial Review and Prospects—Results of Operations*" and "*—Capital Contributions and Guarantees to Subsidiaries*".

The Nordea Group could fail to attract or retain senior management or other key employees.

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. Competition from within the financial services industry, including from other financial institutions, as well as from businesses outside the financial services industry for key employees is intense. New regulatory restrictions, such as the limits on certain types of remuneration paid by credit institutions and investment firms set forth in CRD IV, could adversely affect the Nordea Group's ability to attract new employees and retain and motivate existing employees. In addition, the Nordea Group may not be able to retain certain key employees who may seek different employment either in anticipation of the completion of the Merger or if the Merger were to fail (see also "*Risks Relating to the Merger—There are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to complete or a delay in completing the Merger could adversely affect the Nordea Group's business, results of operations and financial condition*" above). Furthermore, the Nordea Group in October 2017 announced plans to reduce its workforce by more than 6,000 personnel (including approximately 2,000 consultants), which may make it more difficult for Nordea to attract senior management and other key 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.

The Nordea Group faces competition in all markets.

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. In addition, the financial services market may face significant changes due to the development of digital banking and changes in consumer behaviour as well as regulatory developments, such as the implementation of the Revised Payment Services Directive 2015/2366/EU, as well as new operators entering the market. Even though the Nordea Group is implementing a transformational change agenda involving, among other things, significant investments in technology, there can be no assurances that the Nordea Group will be able to continue to adjust its operating models and arrangements to respond to new forms of competition. If the Nordea Group is unable to provide competitive product and service offerings, it may fail to attract new customers and/or retain existing customers, experience decreases in its interest, fee and commission income, and/or lose market share, the occurrence of any of which could have a material adverse effect on its business, financial condition and results of operations.

The Nordea Group may not be able to successfully implement its strategy.

The Nordea Group's ambition and vision has been to operate as "One Nordea" across the Nordic region. In order to realise that ambition and vision, the Nordea Group introduced a transformational change agenda in 2015 involving, among other things, significant investments in technology in order to have one system for all core banking products. The Nordea Group's strategic priorities include strengthening the Nordea Group's customer-centric organisation, digitalisation and distribution transformation and simplification. In line with this, the Nordea Group aims to enhance its core competitiveness through initiatives within, among others, the distribution and service models, credit processes, IT and operations as well as key support functions, and shift from physical to digital distribution and the establishment of e-branches as well as the use of artificial intelligence. As part of this transformation, the Nordea Group in October 2017 announced plans to reduce its workforce by more than 6,000 personnel (including approximately 2,000 consultants). For more information on the Nordea Group's strategy, see "*Description of the Nordea Group—Strategy*". There can be no assurances that the Nordea Group will be able to successfully implement its strategy within the expected timeframe or at all, and the expected benefits of the Nordea Group's strategy may not materialise, including if the markets in which the Nordea Group operates do not develop as expected. Furthermore, the Nordea Group's strategy may have negative consequences in respect of attracting and retaining employees (see "*The Nordea Group could fail to attract or retain senior management or other key employees*" above) or other areas. Any of the above could have a material adverse effect on the Nordea Group's business, financial condition and results of operations.

CERTAIN MATTERS

Statement Regarding Information in this Prospectus

Nordea Finland is responsible for the information included in this Prospectus and having taken all reasonable care to ensure that is the case, such information is, to the best knowledge of Nordea Finland, in accordance with the facts and contains no omission likely to affect its import.

16 February 2018

Nordea Holding Abp

Notice to Nordea Sweden Shareholders

Shareholders in Restricted Jurisdictions

All shareholders of Nordea Sweden or other persons (including nominees, trustees and custodians) who would otherwise intend to or may have contractual or legal obligations to forward this Prospectus to a jurisdiction outside Finland, Sweden, Denmark, Norway, the United Kingdom, France and Spain should refrain from doing so and seek appropriate professional advice before taking any such action.

The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy any shares in Nordea Finland in any Restricted Jurisdiction. Accordingly, copies of this Prospectus and any other documentation relating to the Merger are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send any such documents in, into or from any such Restricted Jurisdiction. Any person (including, without limitation, custodians, nominees and trustees) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this Prospectus and/or any other document related to the Merger to any jurisdiction outside Finland, Sweden, Denmark, Norway, the United Kingdom, France and Spain should inform themselves of, and observe, any applicable legal or regulatory requirements of any relevant jurisdiction. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Shareholders in the European Economic Area

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a “**relevant member state**”), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “**relevant implementation date**”), an offer to the public of any shares in Nordea Finland may not be made in that Relevant Member State (other than in Finland, Sweden, Denmark, Norway, the United Kingdom, France and Spain), except that an offer to the public in the Relevant Member State of any Merger Consideration shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (1) to qualified investors within the meaning of Article 2(1)(c) of the Prospectus Directive;
- (2) to fewer than 150 natural or legal persons (other than a person that is a qualified investor within the meaning of Article (2)(1)(c) of the Prospectus Directive); or
- (3) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Merger Consideration shares shall result in a requirement for the publication by Nordea Finland of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any shares in Nordea Finland in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares in Nordea Finland to be offered so as to enable an investor to decide to purchase shares in Nordea Finland, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and herein the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EC) and includes any relevant implementing measure in each Relevant Member State.

Shareholders in Australia

This Prospectus and any other documents or materials relating to the Merger are not intended to constitute a public offer of shares in Nordea Finland in Australia. The offer of the Merger Consideration is not being made and will not be made, directly or indirectly, to the public in Australia. This Prospectus is not a disclosure document, product disclosure

statement or other offer document for the purposes of the Australian Corporations Act 2001 (Cth) (the “**Corporations Act**”) and neither it, nor any other documents or materials relating to the Merger, have been, and will be, lodged with the Australian Securities & Investments Commission. It may not contain all of the information that would be required to be included in a disclosure document lodged under the Corporations Act. The issue of Merger Consideration in connection with the Merger is exempt from the requirement to issue a prospectus, product disclosure statement or other offer document in Australia under the Corporations Act, pursuant to ASIC Relief Instrument 18-0062 dated 31 January 2018. This Prospectus does not purport to provide investment advice to any recipient in Australia and will not be construed as giving advice on the merits or suitability of the Merger Consideration under the Merger.

Shareholders in the People’s Republic of China

The information contained in this Prospectus will not constitute an offer to sell or the solicitation of an offer to buy any shares in Nordea Finland within the People’s Republic of China (which, for such purpose, does not include the Hong Kong or Macau Special Administration Regions or Taiwan) (the “**PRC**”). This document has not been and will not be submitted to or approved/verified by or registered with any relevant governmental authorities in the PRC and may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the shares in Nordea Finland in the PRC. The shares in Nordea Finland may not be offered or sold directly or indirectly to any resident of the PRC, or offered or sold to any person for re-offering or re-sale directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC.

Shareholders in Hong Kong

This Prospectus has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any shares (including any shares in Nordea Finland) other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance. No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to shares (including any shares in Nordea Finland) which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder.

Shareholders in Switzerland

Neither this Prospectus nor any other material relating to the shares in Nordea Finland has been prepared with regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 et seq. of the SIX Listing Rules or the listing rules of any other exchange or multilateral trading facility in Switzerland, and, therefore, does not constitute a prospectus within the meaning of the Swiss Code of Obligations, the SIX Listing Rules or the listing of any other exchange or multilateral trading facility in Switzerland.

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the shares in Nordea Finland. The shares in Nordea Finland will not be publicly offered, sold, marketed or advertised, directly or indirectly, into or in Switzerland, and the issuer has not applied for a listing of its shares on the SIX Swiss Exchange AG or any other exchange or multilateral trading facility in Switzerland.

This Prospectus has not been filed with or approved by any Swiss regulatory authority, exchange or multilateral trading facility. This Prospectus may not be distributed or used in Switzerland without Nordea Finland’s prior written consent.

Shareholders in Canada

Any resale of Merger Consideration shares by a Canadian investor will not be subject to prospectus requirements under applicable securities laws in Canada if the resale is made through an exchange, or a market, outside of Canada (including Nasdaq Stockholm, Nasdaq Helsinki or Nasdaq Copenhagen). Any resales of Merger Consideration shares by a Canadian investor that are not made through an exchange, or a market, outside of Canada must be made in accordance with, or pursuant to an exemption from, prospectus requirements under applicable securities laws in Canada. Canadian investors are advised to seek Canadian legal advice prior to reselling any Merger Consideration shares other than through an exchange, or a market, outside of Canada.

Special Cautionary Notice Regarding Forward-looking Statements

Certain statements in this Prospectus, including certain statements set forth under the headings “*Summary*”, “*Risk Factors*”, “*Certain Important Dates*”, “*Capitalisation and Indebtedness*”, “*Merger of Nordea Sweden into Nordea Finland*”, “*Description of the Nordea Group*” and “*Operating and Financial Review and Prospects*”, are based on the beliefs of Nordea Finland’s and Nordea Sweden’s management, as well as assumptions made by and information currently available to Nordea Finland’s and Nordea Sweden’s management, and such statements may constitute forward-looking statements. These forward-looking statements (other than statements of historical fact) regarding the Nordea Group’s future results of operations, financial condition, cash flows, business strategy, plans and objectives of Nordea’s management for future operations can generally be identified by terminology such as “targets”, “believes”, “estimates”, “expects”, “aims”, “intends”, “plans”, “seeks”, “will”, “may”, “anticipates”, “would”, “could”, “continues” or similar expressions or the negatives thereof.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Nordea Group, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others:

- changes in the global general economic conditions and developments in the global financial markets;
- changes in the general economic, political or social conditions in the markets in which the Nordea Group operates;
- regulatory developments in the markets in which the Nordea Group operates;
- changes in interest rates, foreign exchange rates, equity and commodity prices;
- changes in the quality of the Nordea Group’s loan portfolio and the Nordea Group’s counterparty risk;
- changes in the Nordea Group’s liquidity position or that of any of its counterparties;
- changes in the Nordea Group’s credit ratings;
- changes in competition in the markets in which the Nordea Group operates; and
- increased longevity, medical developments and other parameters that impact the Nordea Group’s life insurance business.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Nordea Group’s actual financial condition or results of operations could differ materially from that described herein as anticipated, believed, estimated or expected. Nordea Finland and Nordea Sweden urge shareholders and investors to read the sections of this Prospectus entitled “*Risk Factors*”, “*Merger of Nordea Sweden into Nordea Finland*”, “*Description of the Nordea Group*”, “*Operating and Financial Review and Prospects*” and “*Risk Management*” for a more complete discussion of the factors that could affect the Nordea Group’s future performance and the industry in which the Nordea Group operates.

Neither Nordea Sweden nor Nordea Finland intend, nor do they assume any obligation, to update any forward-looking statements contained herein, except as may be required by law. All subsequent written and oral forward-looking statements attributable to Nordea or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

Presentation of Financial Information

Historical Financial Statements of the Nordea Group

The Nordea Group’s audited consolidated financial statements incorporated by reference into this Prospectus have been prepared for the Nordea Group with Nordea Sweden as the parent company. Nordea Finland, the parent company of the Nordea Group following the completion of the Merger, was registered with the Finnish Trade Register on 27 September 2017 and no historical financial statements have been prepared in respect of Nordea Finland. As the Merger will be treated in the Nordea Group’s consolidated accounts as a reorganisation within the consolidated group, the Merger as an intra-group transaction does not change the reporting entity under IFRS. Accordingly, the consolidated financial statements of Nordea Finland, the new parent company of the Nordea Group, will reflect a continuum of the carrying values from the consolidated financial statements of the former parent company of the Nordea Group, Nordea Sweden, which are incorporated by reference into this Prospectus. The first financial year of Nordea Finland will cover the period from incorporation until 31 December 2018.

The audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017, together with the comparative figures for the year ended and as of 31 December 2016, for the year ended and as of 31 December 2016, together with the comparative figures for the year ended and as of 31 December 2015 and for the year ended and as of 31 December 2015 have been prepared in accordance with IFRS. The audited consolidated financial statements of the Nordea Group for the years ended and as of 31 December 2017, 2016 and 2015 have been audited by Peter Clemedtson and Catarina Ericsson, Authorised Public Accountants, and Öhrlings PricewaterhouseCoopers AB.

For a discussion of certain reclassifications, restatements and changes in presentation made by the Nordea Group for the comparative financial information for the year ended and as of 31 December 2015 in its audited consolidated financial statements for the year ended and as of 31 December 2016 and how these reclassifications, restatements and changes affect the comparability between selected figures, see “*Operating and Financial Review and Prospects—Results of Operations—Introduction*”.

The Nordea Group’s audited consolidated financial statements incorporated by reference into this Prospectus include Nordea and those entities in which it has more than 50 per cent of the voting rights or otherwise has the power to govern the financial and operating policies of the entity. For a description of certain accounting principles adopted by the Nordea Group, see “*Note G1*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

The financial information set forth in a number of tables in this Prospectus has been rounded to the nearest whole number. Accordingly, in certain instances, the sum of the numbers in a column may not conform exactly to the total figure given for that column.

Accounting Treatment of the Merger

The Merger is proposed to be carried out as a cross-border reversed merger by way of absorption through which Nordea Sweden will be merged into Nordea Finland, which is currently a wholly owned subsidiary of Nordea Sweden. Nordea Finland has been established specifically for the purpose of the Merger and will become the new parent company of the Nordea Group upon the completion of the Merger. The Merger will be treated in the Nordea Group’s consolidated accounts as a reorganisation within the consolidated group and, therefore, the Merger as an intra-group transaction does not change the reporting entity under IFRS. Accordingly, the consolidated financial statements of Nordea Finland, the new parent company of the Nordea Group, will reflect a continuum of the carrying values from the consolidated financial statements of the former parent company of the Nordea Group, Nordea Sweden.

On the Completion Date, the components of equity of the Nordea Group will reflect the capital structure of Nordea Finland, the new parent company of the Nordea Group, which will record the transferring assets and liabilities to its balance sheet based on the book values of Nordea Sweden. This is in accordance with the principle of continuity and presentation of the true and fair view of the economic substance of the transaction as imposed in the Finnish Accounting Act (Fi: *kirjanpitolaki (1336/1997)*) (the “**Finnish Accounting Act**”). The equity of Nordea Finland will be recorded on the Completion Date as follows: the share capital will equal the amount of share capital of Nordea Sweden, the fund of invested unrestricted equity will equal the amount of share premium reserve of Nordea Sweden, the other reserves will equal the amount of the other reserves of Nordea Sweden and the retained earnings will be the summation of development cost reserve and retained earnings of Nordea Sweden. Accordingly, on the Completion Date, the only change impacting the Nordea Group’s equity will be the change of share premium reserve which will be recorded to the fund of invested unrestricted equity.

The total costs for the re-domiciliation and Merger, including funding related execution costs and project costs (including IT, legal and advisory costs but excluding staff costs), are expected to be approximately EUR 100 million before tax (undiscounted), of which EUR 11 million had been incurred as of 31 December 2017. The portion of the costs that Nordea estimates that it will incur post-balance sheet date has not been reflected in the capitalisation and indebtedness information as adjustments to the actual capitalisation and indebtedness information. See also “*Capitalisation and Indebtedness*”.

Key Financial Figures – Alternative Performance Measures

This Prospectus includes certain performance measures of the Nordea Group’s historical financial performance, financial position and cash flows, which, in accordance with the “*Alternative Performance Measures*” guidance issued by the European Securities and Markets Authority (“**ESMA**”) are not accounting measures defined or specified in IFRS and are, therefore, considered alternative performance measures (“**APMs**”). Nordea presents the following APMs in this Prospectus:

- return on equity (per cent);
- cost to income ratio, excluding items affecting comparability (per cent); and

- ROCAR, excluding items affecting comparability (per cent).

Nordea presents these APMs as additional information to financial measures presented in the consolidated income statement, consolidated statement of financial position, consolidated statement of cash flows and in the notes disclosures prepared in accordance with IFRS. In Nordea’s view, these APMs provide management, investors, securities analysts and other parties with relevant and useful additional information and tools to be able to establish a better view on the Nordea Group’s performance.

APMs on return on equity and ROCAR intend to provide investors with relevant information on the Nordea Group’s performance in relation to different investment measurements. The cost to income ratio is disclosed to provide the investor with information on the correlation between income and expense.

Items affecting comparability are excluded from specific APMs because management and investors would ordinarily identify and consider them separately in order to better understand the underlying trends in a business. Nordea believes that APMs excluding items affecting comparability provide useful information for investors by aligning internal and external reporting, by identifying and quantifying items the Nordea Group’s management believes to be significant and by providing insight into how the Nordea Group’s management assesses period-on-period performance.

APMs should not be viewed in isolation or as a substitute to the IFRS financial measures and they are not accounting measures defined or specified in IFRS. All companies do not calculate APMs in a uniform way and, therefore, Nordea’s APMs may not be comparable with similarly named measures presented by other companies.

For definitions of the APMs, see “*Selected Consolidated Financial and Other Data—Definitions of Key Financial Figures*”.

Market and Industry Information

This Prospectus contains information about the market position of the Nordea Group, including in “*Description of the Nordea Group*” and “*Operating and Financial Review and Prospects*”. The market information is based on data and statistical information compiled by Nordea Finland based on the Nordea Group’s own information. Such data and statistical information are based on publicly available information and the Nordea Group’s own internal estimates. Although the Nordea Group believes that its internal market observations are reliable, the Nordea Group’s own estimates are not reviewed or verified by any external sources. Therefore, the correctness or completeness of the information cannot be warranted. Market statistics are, by their nature, associated with uncertainty and do not necessarily reflect actual market conditions. The value of comparing statistics for different markets is limited due to several reasons including, among others, that markets are defined differently and that the information may have been collected using different methods and assumptions. Certain statistics in the Prospectus have been collated by Nordea Finland, in some cases based on different assumptions. Even though Nordea Finland considers that the methods and the assumptions for the collation are reasonable, these have only been confirmed or verified by independent sources to a limited extent. Accordingly, the readers should note that the market statistics in this Prospectus are entailed with uncertainty and that no assurance can be given for their correctness. As far as the Nordea Group is aware and is able to ascertain through comparisons with other data published by the third-party sources from which the information is derived, no information has been omitted that would render the reproduced information inaccurate or misleading.

Presentation of Certain Other Information

Financial information set forth in this Prospectus has been rounded. Accordingly, in certain instances, the sum of the numbers in a column or row may not conform exactly to the total amount given for that column or row.

In this Prospectus, references to “**euro**” or “**EUR**” are references to the lawful currency of the Economic and Monetary Union of the EU, references to “**Swedish krona**” or “**SEK**” are references to the lawful currency of the Kingdom of Sweden, references to “**Danish krone**” or “**DKK**” are references to the lawful currency of the Kingdom of Denmark, references to “**Norwegian krone**” or “**NOK**” are references to the lawful currency of the Kingdom of Norway, references to “**British pound**” or “**GBP**” are references to the lawful currency of the United Kingdom, references to “**Swiss franc**” or “**CHF**” are references to the lawful currency of Switzerland, references to “**Japanese yen**” or “**JPY**” are references to the lawful currency of Japan, and references to “**U.S. dollars**” or “**USD**” are references to the lawful currency of the United States.

Certain Defined Terms

The following terms used in this Prospectus have the meanings assigned to them below:

“**AGM**” The annual general meeting of shareholders

“**Baltic countries**” Estonia, Lithuania and Latvia

“ Completion Date ”	The date on which the Merger is registered with the Finnish Trade Register
“ DFSA ”	The Danish Financial Supervisory Authority
“ EBA ”	The European Banking Authority
“ EGM ”	The extraordinary general meeting of shareholders
“ EEA ”	The European Economic Area
“ ECB ”	The European Central Bank
“ EU ”	The European Union
“ FFSA ”	The Finnish Financial Supervisory Authority
“ Finnish Corporate Governance Code ”	The Finnish Corporate Governance Code (Fi: <i>Suomen listayhtiöiden hallinnointikoodi</i>)
“ Finnish Securities Markets Act ” ..	The Finnish Securities Markets Act (Fi: <i>arvopaperimarkkinalaki (746/2012)</i>)
“ Finnish Trade Register ”	The trade register maintained by the Finnish Patent and Registration Office
“ Fitch ”	Fitch Ratings Ltd.
“ FSB ”	The Financial Stability Board
“ Listing ”	The listing of the shares in Nordea Finland on the official lists of Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen
“ Merger ”	The proposed merger of Nordea Sweden into Nordea Finland through a cross-border reversed merger by way of absorption
“ Merger Consideration ”	The new shares in Nordea Finland that will be issued to the shareholders of Nordea Sweden in proportion to their existing shareholding with an exchange ratio of 1:1
“ Merger Plan ”	The merger plan signed by the board of directors of Nordea Sweden and the board of directors of Nordea Finland in connection with the Merger
“ Moody’s ”	Moody’s Investors Service Ltd.
“ Nordea ”	Depending on context, Nordea Sweden prior to the completion of the Merger and Nordea Finland following the completion of the Merger
“ Nordea Finland ”	Nordea Holding Abp (to be renamed to Nordea Bank Abp no later than on the Completion Date)
“ Nordea Group ” or “ Group ”	The group of companies for which Nordea is the parent company, except where it is clear from the context that the term means Nordea Sweden, Nordea Finland, any other particular subsidiary or a group of subsidiaries
“ Nordea Sweden ”	Nordea Bank AB (publ)
“ Nordea Sweden FDRs ”	The Finnish depository receipts regarding the shares in Nordea Sweden listed on Nasdaq Helsinki
“ Nordic countries ” and “ Nordic markets ”	The Kingdom of Denmark, the Republic of Finland, the Kingdom of Norway and the Kingdom of Sweden
“ Prospectus ”	This merger prospectus
“ Riksbanken ”	The Central Bank of Sweden
“ SFSA ”	The Swedish Financial Supervisory Authority

“Standard & Poor’s” Standard & Poor’s Credit Market Services Europe Limited

“Swedish Corporate Governance Code” The Swedish Corporate Governance Code (Sw: *Svensk kod för bolagsstyrning*)

Available Information

This Prospectus will be available on Nordea’s website at www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/ on or about 19 February 2018 as well as at the offices of Nordea Finland at Aleksis Kiven katu 7, FI-00020 Nordea, Helsinki, Finland; at the head office of Nordea at Smålandsgatan 17, SE-105 71 Stockholm, Sweden; and at the reception of Nasdaq Helsinki at Fabianinkatu 14, FI-00100 Helsinki, Finland, on or about 20 February 2018.

Following the completion of the Merger, Nordea Finland will publish annual reports, including its audited consolidated financial statements, quarterly interim financial information and other information as required by Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen. Annual reports, interim reports and interim management statements and regulatory stock exchange releases of Nordea Finland will be published in Swedish and in English. In addition, Nordea Finland expects to publish translations of the regulatory stock exchange releases also in Finnish, Danish and Norwegian (as non-regulatory press releases).

Nordea Sweden publishes annual reports, including its audited consolidated financial statements, quarterly interim financial information and other information as required by Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen. Annual reports, interim reports and interim management statements and stock exchange releases of Nordea Sweden are published in Swedish and in English. Stock exchange releases are also published in Finnish, Danish and Norwegian.

No Incorporation of Website Information

This Prospectus and possible supplements to this Prospectus will be published on Nordea’s website at www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/. However, other information on Nordea’s website or any other website, excluding the documents incorporated by reference into this Prospectus as set forth in “*Documents Incorporated by Reference*”, do not form a part of this Prospectus.

CERTAIN IMPORTANT DATES

The Merger is estimated to be registered with the Finnish Trade Register during the second half of 2018, tentatively on 1 October 2018. The following dates are provided for illustrative purposes only and assume that the Merger Plan will be approved by the shareholders of Nordea Sweden at the AGM of Nordea Sweden scheduled to be held on 15 March 2018 and that the Completion Date will be 1 October 2018.

Last day to register and give notice of attendance to the AGM of Nordea Sweden for shareholders not registered with Euroclear Sweden	8 March 2018
Record date for participating in the AGM of Nordea Sweden.....	9 March 2018
Last day to give notice of attendance to the AGM of Nordea Sweden for shareholders registered with Euroclear Sweden	9 March 2018
AGM of Nordea Sweden that is to resolve on the approval of the Merger Plan.....	15 March 2018
EGM of Nordea Finland to approve the Merger Plan.....	15 March 2018
Last day for conversion between Nordea Sweden FDRs and shares in Nordea Sweden	25 September 2018
Last day of trading in the shares in Nordea Sweden on Nasdaq Stockholm and Nasdaq Copenhagen as well as in the Nordea Sweden FDRs on Nasdaq Helsinki.....	28 September 2018
Notification of registration of the Merger from the Finnish Trade Register	1 October 2018
Completion Date	1 October 2018
First day of trading in the shares in Nordea Finland on Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen	1 October 2018

EXCHANGE RATES

The following table sets forth the average, high, low, and period end reference rates as published by the ECB for the Swedish krona per euro as of the dates and for the periods indicated:

	Reference rates of SEK per EUR			
	Average	High	Low	Period-end
2015	9.3535	9.6557	9.1141	9.1895
2016	9.4689	10.0025	9.1381	9.5525
2017	9.6351	10.0160	9.4183	9.8438
2018 (through 15 February).....	9.8417	9.9448	9.7645	9.9180

The following table sets forth the average, high, low, and period end reference rates as published by the ECB for the Danish krone per euro as of the dates and for the periods indicated:

	Reference rates of DKK per EUR			
	Average	High	Low	Period-end
2015	7.4587	7.4717	7.4345	7.4626
2016	7.4452	7.4645	7.4338	7.4344
2017	7.4386	7.4455	7.4331	7.4449
2018 (through 15 February).....	7.4453	7.4496	7.4415	7.4493

The following table sets forth the average, high, low, and period end reference rates as published by the ECB for the Norwegian krone per euro as of the dates and for the periods indicated:

	Reference rates of NOK per EUR			
	Average	High	Low	Period-end
2015	8.9496	9.6160	8.3275	9.6030
2016	9.2906	9.7085	8.9175	9.0863
2017	9.3270	9.9738	8.8070	9.8403
2018 (through 15 February).....	9.6592	9.7983	9.5548	9.7350

The above rates are provided solely for the convenience of the reader and are not necessarily the rates used in the preparation of Nordea's financial statements and financial statement information. No representation is made that the euros could have been converted into Swedish kronor, Danish kroner or Norwegian kroner at the rates shown or at any other rate at such dates or during such periods.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Nordea Group's capitalisation (i) on an actual basis as of 31 December 2017 as derived from the Nordea Group's audited consolidated financial statements for the year ended and as of 31 December 2017 and (ii) as adjusted to give effect to the Merger (*i.e.*, the only change in the consolidated equity excluding Merger related expenses is the recognition on the Completion Date of the share premium reserve to the fund of invested unrestricted equity of Nordea Finland). See also "*Certain Matters—Presentation of Financial Information—Accounting Treatment of the Merger*". The total costs for the re-domiciliation and Merger, including funding related execution costs and project costs (including IT, legal and advisory costs but excluding staff costs), are expected to be approximately EUR 100 million before tax (undiscounted), of which EUR 11 million had been incurred as of 31 December 2017. The portion of the costs that Nordea estimates that it will incur post-balance sheet date has not been reflected in the capitalisation and indebtedness information as adjustments to the actual capitalisation and indebtedness information. This table should be read in conjunction with "*Selected Consolidated Financial and Other Data*", "*Operating and Financial Review and Prospects*" and the audited consolidated financial statements of the Nordea Group incorporated by reference into this Prospectus.

	As of 31 December 2017	
	Actual (audited)	Adjusted (unaudited)
	(EUR in millions)	
Capitalisation		
Total current debt (maturity up to one year)	127,641	127,641
of which secured ⁽¹⁾	19,917	19,917
of which unsecured ⁽²⁾	107,725	107,725
of which subordinated.....	—	—
Total non-current debt (excluding current portion of non-current debt)	389,204	389,204
of which secured ⁽³⁾	86,797	86,797
of which unsecured ⁽⁴⁾	293,419	293,419
of which subordinated.....	8,987	8,987
Equity attributable to parent company's shareholders:		
Share capital.....	4,050	4,050
Share premium reserve.....	1,080	—
Invested unrestricted equity.....	—	1,080
Other reserves.....	(1,543)	(1,543)
Retained earnings.....	28,811	28,811
Total equity attributable to parent company's shareholders	32,398	32,398
Additional tier 1 capital holders.....	750	750
Non-controlling interests.....	168	168
Total equity	33,316	33,316
Total capitalisation	550,161	550,161

(1) Total of senior secured, covered bonds and securitisations with a remaining maturity up to one year.

(2) Total of senior unsecured, commercial paper, certificates of deposit, deposits by credit institutions and deposits and borrowings from the public, all with a remaining maturity up to one year.

(3) Total of senior secured, covered bonds and securitisations with a remaining maturity of more than one year.

(4) Total of senior unsecured notes, commercial paper, certificates of deposit, deposits by credit institutions, deposits and borrowings from the public, derivatives, securities financing, liabilities to policyholders and liabilities under pooled schemes, all with a remaining maturity of more than one year.

Since 31 December 2017, there have not been any material changes in the Nordea Group's capitalisation up until the date of this Prospectus.

The board of directors of Nordea Sweden has proposed that the AGM of Nordea Sweden scheduled to be held on 15 March 2018 resolve on a dividend of EUR 0.68 per share. The payment is expected to take place on 26 March 2018 and the total dividend payment by Nordea Sweden is EUR 2,747 million.

The following table sets forth the Nordea Group's indebtedness as of 31 December 2017 as derived from the Nordea Group's audited consolidated financial statements for the year ended and as of 31 December 2017. This table should be read in conjunction with "Selected Consolidated Financial and Other Data", "Operating and Financial Review and Prospects" and the audited consolidated financial statements of the Nordea Group incorporated by reference into this Prospectus.

	As of 31 December 2017
	(EUR in millions)
Indebtedness	
Cash and cash equivalents ⁽¹⁾	47,877
Trading securities ⁽²⁾	<u>47,602</u>
Total liquidity	95,479
Current financial receivables ⁽³⁾	486,133
Total current financial debt (maturity up to one year)	127,641
of which current debt ⁽⁴⁾	100,993
of which current portion of non-current debt ⁽⁵⁾	26,648
of which other current financial debt	—
Net current financial indebtedness	453,971
Total non-current financial debt (excluding current portion of non-current debt)	389,204
of which non-current ⁽⁶⁾	145,280
of which debt securities issued ⁽⁷⁾	127,597
of which other non-current loans ⁽⁸⁾	<u>116,327</u>
Net financial indebtedness	<u>64,767</u>

(1) Cash and cash equivalents according to cash flow statement.

(2) Represents interest-bearing securities and shares "held for trading" and financial instruments pledged as collateral.

(3) Represents interest-bearing securities and shares not "held for trading", loans to central banks and credit institutions, loans to the public, assets in pooled schemes, unit-linked investment contracts, derivatives assets, fair value changes in the hedged items in portfolio hedge of interest rate risk (asset), as well as other assets and prepaid expenses and accrued income.

(4) Total of liabilities held for trading, derivatives, securities financing, deposits by credit institutions, deposits and borrowings from the public, commercial paper, certificates of deposit, all with a remaining maturity up to one year.

(5) Total of senior secured debt, covered bonds, senior unsecured debt, securitisations and subordinated liabilities, all with a remaining maturity up to one year.

(6) Total of deposits by credit institutions and deposits and borrowings from the public with remaining maturity of more than one year.

(7) Total of issued debt and subordinated with a remaining maturity of more than one year.

(8) Total of derivatives, securities financing, liabilities to policyholders and liabilities under pooled schemes all with a remaining maturity of more than one year.

In addition to instruments on the balance sheet, the Nordea Group had the following contractual, contingent and off-balance sheet liabilities as of 31 December 2017:

	As of 31 December 2017
	(EUR in millions)
Assets pledged as security for own liabilities	198,973
Other assets pledged	4,943
Contingent liabilities	19,020
Credit commitments	74,545
Other commitments	2,487

SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

The selected consolidated income statement and balance sheet data presented below have been derived from the audited consolidated financial statements of the Nordea Group for the years ended and as of 31 December 2015, 2016 and 2017, together with the restated comparative figures for the year ended and as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended 31 December 2016, incorporated by reference into this Prospectus. Those financial statements have been prepared in accordance with IFRS. Nordea Finland, the parent company of the Nordea Group following the completion of the Merger, was registered with the Finnish Trade Register on 27 September 2017 and no historical financial statements have been prepared in respect of Nordea Finland. The Nordea Group's audited consolidated financial statements incorporated by reference into this Prospectus have been prepared for the Nordea Group with Nordea Sweden as the parent company. As the Merger will be treated in the Nordea Group's consolidated accounts as a reorganisation within the consolidated group, the Merger as an intra-group transaction does not change the reporting entity under IFRS. Accordingly, the consolidated financial statements of Nordea Finland, the new parent company of the Nordea Group, will reflect a continuum of the carrying values from the consolidated financial statements of the former parent company of the Nordea Group, Nordea Sweden, which are incorporated by reference into this Prospectus. See also "*Certain Matters—Presentation of Financial Information—Accounting Treatment of the Merger*". For information on the Nordea Group's income statement and balance sheet data on a business area basis for the years ended and as of 31 December 2015, 2016 and 2017, see "*Operating and Financial Review and Prospects—Results of Operations—Results of Operations on a Business Area Basis for 2015, 2016 and 2017*", and for information on Nordea's nonconsolidated income statement and balance sheet data, see "*Operating and Financial Review and Prospects—Results of Operations—Results of Operations of Nordea on a Nonconsolidated Basis for 2015, 2016 and 2017*" and "*Balance Sheet Information—Nordea*". The data set forth below should be read in conjunction with "*Operating and Financial Review and Prospects*" and the consolidated financial statements of the Nordea Group incorporated by reference into this Prospectus.

Selected Consolidated Income Statement Data

	For the year ended 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Net interest income.....	4,963 ⁽¹⁾	4,727	4,666
Net fee and commission income	3,230 ⁽¹⁾	3,238	3,369
Net result from items at fair value.....	1,645 ⁽¹⁾	1,715	1,328
Profit from associated undertakings accounted for under the equity method	39	112	23
Other operating income	<u>263</u>	<u>135</u>	<u>83</u>
Total operating income	10,140	9,927	9,469
General administrative expenses:			
Staff costs.....	(3,263)	(2,926)	(3,212)
Other expenses.....	(1,485)	(1,646)	(1,622)
Depreciation, amortisation and impairment charges of tangible and intangible assets.....	<u>(209)</u>	<u>(228)</u>	<u>(268)</u>
Total operating expenses	(4,957)	(4,800)	(5,102)
Profit before loan losses	5,183	5,127	4,367
Net loan losses.....	<u>(479)</u>	<u>(502)</u>	<u>(369)</u>
Operating profit	4,704	4,625	3,998
Income tax expense	<u>(1,042)</u>	<u>(859)</u>	<u>(950)</u>
Net profit for the year	3,662	3,766	3,048
Attributable to:			
Shareholders of Nordea Bank AB (publ).....	3,662	3,766	3,031
Non-controlling interests.....	—	—	17
Total	3,662	3,766	3,048
Basic earnings per share, EUR.....	0.91	0.93	0.75
Diluted earnings per share, EUR.....	0.91	0.93	0.75

(1) Due to (i) a reclassification in 2016 of refinancing fees and pay-out fees received in connection with mortgage lending in Denmark from "net result from items at fair value" to "net fee and commission income" and (ii) a reclassification in 2016 of state guarantee fees from "net fee and commission income" to "net interest income", the Nordea Group restated the comparative income statement figures for the year ended 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures for 2015 presented herein are unaudited. The audited non-restated figure for the year ended 31 December 2015 for net interest income is EUR 5,110 million, for net fee and commission income EUR 3,025 million and for net result from items at fair value EUR 1,703 million.

Selected Consolidated Balance Sheet Data

	As of 31 December		
	2015	2016	2017
		(EUR million)	
Cash and balances with central banks	35,500	32,099	43,081
Loans to central banks	13,224	11,235	4,796
Loans to credit institutions	10,762 ⁽¹⁾	9,026	8,592
Loans to the public	340,920	317,689	310,158
Interest-bearing securities	86,535 ⁽¹⁾	87,701	75,294
Financial instruments pledged as collateral	8,341	5,108	6,489
Shares	22,273 ⁽¹⁾	21,524	17,180
Assets in pooled schemes and unit-linked investment contracts	20,434 ⁽¹⁾	23,102	25,879
Derivatives	80,741	69,959	46,111
Other ⁽²⁾	28,138 ⁽¹⁾	29,319	21,846
Assets held for sale ⁽³⁾	—	8,897	22,186
Total assets	646,868	615,659	581,612
Deposits by credit institutions	44,209	38,136	39,983
Deposits and borrowings from the public	189,049 ⁽⁴⁾	174,028	172,434
Deposits in pooled schemes and unit-linked investment contracts	21,088 ⁽⁴⁾	23,580	26,333
Liabilities to policyholders	38,707 ⁽⁴⁾	41,210	19,412
Debt securities in issue	201,937	191,750	179,114
Derivatives	79,505	68,636	42,713
Other ⁽⁵⁾	41,341 ⁽⁴⁾	41,021	42,276
Liabilities held for sale ⁽³⁾	—	4,888	26,031
Total liabilities	615,836	583,249	548,296
Total equity	31,032	32,410	33,316
of which additional tier 1 capital holders	—	—	750
of which non-controlling interests	1	1	168
Total liabilities and equity	646,868	615,659	581,612

- (1) The Nordea Group reclassified in 2016 certain interest-bearing securities and shares to the separate balance sheet line “assets in pooled schemes and unit-linked investment contracts” in order to disclose them separately from assets for which the Nordea Group bears the investment risk. Due to this reclassification, the Nordea Group restated the comparative figures for “loans to credit institutions”, “interest-bearing securities”, “shares”, “investment properties” and “other assets” as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures as of 31 December 2015 presented herein are unaudited. The corresponding audited non-restated figure as of 31 December 2015 is EUR 10,959 million for loans to credit institutions, EUR 88,176 million for interest-bearing securities, EUR 40,745 million for shares and EUR 28,262 million for other (that, as defined for the purposes of the above table, includes investment properties that decreased by EUR 111 million and other assets that decreased by EUR 13 million due to the restatement).
- (2) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, investments in associated undertakings and joint ventures, intangible assets, properties and equipment, investment properties, deferred tax assets, current tax assets, retirement benefit assets, prepaid expenses and accrued income, and other assets, which includes claims on securities settlement proceeds, cash/margin receivables and other.
- (3) Assets and liabilities held for sale as of 31 December 2017 relate to Nordea’s decision to sell additional 45 per cent of the shares in Danish Nordea Liv & Pension Livsforsikringselskab A/S. Assets and liabilities held for sale as of 31 December 2016 consist of the Nordea Group’s Baltic operations and lending to retail customers in Russia. Assets and liabilities related to the disposal groups are presented on the separate balance sheet lines “assets held for sale” and “liabilities held for sale”, respectively, as from the classification date.
- (4) As a result of the accounting policy changes discussed in footnote (1) above, the Nordea Group reclassified in 2016 the liabilities corresponding to assets in pooled schemes and unit-linked investment contracts to the separate balance sheet line “deposits in pooled schemes and unit-linked investment contracts” given that these liabilities behave differently than the normal deposits received from customers. Due to this reclassification, the Nordea Group restated the comparative figures for “deposits and borrowings from the public”, “liabilities to policyholders” and “other” liabilities as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures as of 31 December 2015 presented herein are unaudited. The corresponding audited non-restated figure as of 31 December 2015 is EUR 193,342 million, for deposits and borrowings from the public, EUR 55,491 million for liabilities to policyholders and EUR 41,352 million for other (that, as defined for the purposes of the above table, includes other liabilities that decreased by EUR 11 million due to the restatement).
- (5) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, current tax liabilities, accrued expenses and prepaid income, deferred tax liabilities, provisions, retirement benefit liabilities, subordinated liabilities, and other liabilities, which includes liabilities on securities settlement proceeds, sold, not held, securities, accounts payable, cash/margin payables and other.

Key Regulatory Ratios and Key Financial Figures⁽¹⁾

	For the year ended and as of 31 December		
	2015	2016	2017
Key Regulatory Ratios			
Loan loss ratio, basis points ⁽²⁾	14	15	12
Common equity tier 1 (CET1) capital ratio, excluding Basel I floor ⁽³⁾⁽⁴⁾ , per cent	16.5	18.4	19.5
Tier 1 capital ratio, excluding Basel I floor ⁽³⁾⁽⁴⁾ , per cent	18.5	20.7	22.3
Total capital ratio, excluding Basel I floor ⁽³⁾⁽⁴⁾ , per cent.....	21.6	24.7	25.2
Tier 1 capital ⁽³⁾⁽⁴⁾ , EUR billion	26.5	27.6	28.0
Risk exposure amount (REA), excluding Basel I floor ⁽³⁾ , EUR billion.....	143	133	126
Economic Capital ⁽⁴⁾ , EUR billion.....	25.0	26.3	26.7
Key Financial Figures			
Return on equity ⁽⁵⁾ , per cent	12.2	12.3	9.5
Cost to income ratio, excluding items affecting comparability, per cent	47	50	54
ROCAR, excluding items affecting comparability ⁽⁶⁾ , per cent	14.8	13.2	11.1
Share and Other Data			
Share price ⁽⁴⁾ , EUR	10.15	10.60	10.09
Total shareholders' return, per cent	8.2	16.3	3.6
Proposed/actual dividend per share, EUR.....	0.64	0.65	0.68
Equity per share ⁽⁴⁾ , EUR.....	7.69	8.03	8.21
Potential shares outstanding ⁽⁴⁾ , million	4,050	4,050	4,050
Weighted average number of diluted shares, million	4,031	4,037	4,039
Number of employees (FTE) ⁽⁴⁾	29,815	31,596	30,399

(1) For definitions of ratios and other key terms, see “—Definitions of Key Regulatory Ratios” and “—Definitions of Key Financial Figures” below.

(2) Including loans to the public reported as assets held for sale in 2016.

(3) Including result for the year.

(4) End of year.

(5) The return on equity of the Nordea Group, excluding items affecting comparability, was 9.5 per cent in 2017, 11.5 per cent in 2016 and 12.3 per cent in 2015.

(6) ROCAR, excluding items affecting comparability is restated in 2016 due to changed definition of average Economic Capital.

Definitions of Key Regulatory Ratios

Set forth below are definitions of terms and key regulatory ratios used in “—Key Regulatory Ratios and Key Financial Figures” above and other sections of this Prospectus, including “Risk Management”.

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

Common equity tier 1 (CET1) capital ratio..... Common equity tier 1 (CET1) capital as a percentage of risk exposure amount (REA).

Tier 1 capital ratio..... Tier 1 capital as a percentage of risk exposure amount (REA).

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

Own funds..... Own funds is defined in Article 72 in the CRR and consist of the sum of tier 1 capital and tier 2 capital.

Tier 1 capital..... Tier 1 capital is defined in Article 25 in the CRR and consists of the sum of the common equity tier 1 (CET1) capital and additional tier 1 capital of the institution. Common equity tier 1 (CET1) is defined in Article 50 in the CRR and 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 other deductions such as cash flow hedges.

Risk exposure amount (REA)..... Risk exposure amount (REA) is defined in Article 92.3 in the CRR. Total assets and off-balance-sheet items valued on the basis of the credit and market risks, as well as operational risks of the Nordea Group's undertakings, in accordance with regulations governing capital adequacy, excluding assets in insurance companies, carrying amount of shares which have been deducted from the own funds and intangible assets.

Economic Capital..... Economic Capital is the internally derived amount of capital to ensure that a firm stay solvent. The approach includes both pillar 1 and pillar 2 capital based on a 99.9 per cent confidence measurement.

Definitions of Key Financial Figures

Set forth below are definitions of terms and key financial figures used in “—Key Regulatory Ratios and Key Financial Figures” above and other sections of this Prospectus.

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

Cost to income ratio, excluding items affecting comparability Total operating expenses excluding items affecting comparability divided by total operating income excluding items affecting comparability.

ROCAR (return on capital at risk), excluding items affecting comparability, per cent Net profit for the period excluding items affecting comparability in percentage of Economic Capital.

Items affecting comparability Significant items that interfere with year-on year comparisons, such as material gain on sale of business operations, restructuring expenses and changes in pension arrangements.

Reconciliation of Certain Key Financial Figures

The following table sets forth the specification of items affecting comparability and the calculation of cost to income ratio, excluding items affecting comparability for the years ended 31 December 2015, 2016 and 2017:

	For the year ended 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Items affecting comparability, before tax:			
Gain from divestment of Nordea’s merchant acquiring business to Nets Holding A/S.....	176	–	–
Gain related to Visa Inc.’s acquisition of Visa Europe Ltd.	–	173	–
Restructuring charge.....	(263)	–	–
Change in pension agreement in Norway	–	86	–
Total items affecting comparability, before tax	<u>(87)</u>	<u>259</u>	<u>–</u>
Total operating expenses.....	(4,957)	(4,800)	(5,102)
Items affecting comparability in total operating expenses	263	(86)	–
Total operating expenses excluding items affecting comparability	<u>(4,694)</u>	<u>(4,886)</u>	<u>(5,102)</u>
Total operating income.....	10,140	9,927	9,496
Items affecting comparability in total operating income	(176)	(173)	–
Total operating income excluding items affecting comparability	<u>9,964</u>	<u>9,754</u>	<u>9,496</u>
Cost to income ratio, excluding items affecting comparability, per cent	47	50	54

The following table sets forth the calculation of ROCAR, excluding items affecting comparability, as defined by Nordea for the years ended 31 December 2015, 2016 and 2017:

	For the year ended 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Net profit for the period	3,662	3,766	3,048
Items affecting comparability, net of tax	29	(227)	–
Net profit for the period excluding items affecting comparability	<u>3,691</u>	<u>3,539</u>	<u>3,048</u>
Average economic capital	25,005	26,773	27,342
ROCAR, excluding items affecting comparability⁽¹⁾, per cent	14.8	13.2	11.1

(1) ROCAR, excluding items affecting comparability is restated in 2016 due to changed definition of average Economic Capital.

MERGER OF NORDEA SWEDEN INTO NORDEA FINLAND

Background and Reasons for the Merger

In the first quarter of 2017, Nordea commenced an assessment of the options to address the impact on the Nordea Group of the Swedish regulatory framework, including its deviation from the regulatory framework of the EU's banking union. The options assessed included, among other things, moving the corporate headquarters of the Nordea Group from Sweden.

On 6 September 2017, following the completion of the assessment, the board of directors of Nordea Sweden decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, which is participating in the EU's banking union. This decision was based on the Nordea Group's unique pan-Nordic and international structure, which means that the existing national regulatory frameworks do not fully accommodate the Nordea Group's operating model and recent strategic developments. Nordea Sweden expects that domiciling the parent company of the Nordea Group in a country that is participating in the EU's banking union will mean that the Nordea Group will be subject to a similar regulatory framework as its European peers, with a greater consistency of the application of laws and regulations and, therefore, more of a level playing field. Nordea Sweden expects that this will promote the interests of customers, shareholders and employees. The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation, and no changes in the day-to-day business operations from a customer perspective are expected therefrom. Only a limited number of employees of the Nordea Group are expected to be affected by the re-domiciliation.

The re-domiciliation is proposed to be carried out through the Merger, that is, as a cross-border reversed merger by way of absorption through which Nordea Sweden will be merged into Nordea Finland. Nordea Finland, which was registered with the Finnish Trade Register on 27 September 2017, was established specifically for the purposes of the Merger as a wholly owned subsidiary of Nordea Sweden. Upon the completion of the Merger, Nordea Finland will become the new parent company of the Nordea Group and the Nordea Group's registered office will be transferred to Helsinki, Finland. Nordea Finland will conduct business operations directly in Finland and through branches outside Finland.

Overview of the Merger

General

On 25 October 2017, the boards of directors of Nordea Sweden and Nordea Finland signed the Merger Plan, which sets out the terms and conditions and related procedures for the Merger. The Merger Plan is included as Annex J to this Prospectus. Pursuant to the Merger Plan, the boards of directors of Nordea Sweden and Nordea Finland propose that Nordea Sweden be merged into Nordea Finland through the Merger, which will be executed as a cross-border reversed merger by way of absorption pursuant to the provisions of Chapter 16, Sections 19–28 of the Finnish Companies Act and, as applicable, Chapter 2 of the Finnish Commercial Banking Act as well as Chapter 23, Section 36 (with further reference) of the Swedish Companies Act and Chapter 10, Sections 18–25 b of the Swedish Banking and Financing Business Act. Nordea Sweden will automatically dissolve on the Completion Date as a result of the Merger.

Nordea Sweden's shareholders will receive as merger consideration one new share in Nordea Finland for each share in Nordea Sweden that they own as of the Completion Date (*i.e.*, the Merger Consideration), meaning that the Merger Consideration will be issued to the shareholders of Nordea Sweden in proportion to their existing shareholding with an exchange ratio of 1:1. The exchange ratio has been determined against the fact that Nordea Finland is a wholly owned subsidiary of Nordea Sweden without any operations of its own, which means that the value of all shares of Nordea Finland after the Merger reflects the value of all shares of Nordea Sweden. The share capital of Nordea Finland will be increased from EUR 5,000,000 to EUR 4,049,951,919, which corresponds to the share capital of Nordea Sweden, in connection with the execution of the Merger.

The board of directors of Nordea Sweden will present the Merger Plan to the shareholders of Nordea Sweden at the AGM scheduled to be held on 15 March 2018, for their approval, which requires a two-thirds majority of the shares and votes cast and represented at the meeting. In the event that the AGM does not approve the Merger Plan, the Merger will lapse. In addition to the approval of Nordea Sweden's general meeting, the completion of the Merger is subject to, among other things, necessary regulatory authorisations and internal approvals. The board of directors of Nordea Sweden recommends that the AGM of Nordea Sweden approves the Merger Plan. The regulatory authorisations required for the completion of the Merger include, among others, an authorisation from the SFSA, which, as part of the authorisation process, will assess whether Nordea Sweden's creditors are assured satisfactory security where such security is required taking into account Nordea Sweden's and Nordea Finland's financial circumstances and the interests of Nordea Sweden's depositors and other creditors. In addition, the SFSA can deny the application where such denial is justified as being in the public interest. See "*—Conditions to the Completion of the Merger*" below. See also "*Risk Factors—Risks Relating to the Merger—There are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to*

complete or a delay in completing the Merger could adversely affect the Nordea Group's business, results of operations and financial condition".

Provided that the conditions to the completion of the Merger have been fulfilled, the Merger will be completed on the Completion Date, that is, when the completion of the Merger is registered with the Finnish Trade Register, which is planned to take place during the second half of 2018, tentatively on 1 October 2018. At the same time, the shareholders of Nordea Sweden will become shareholders of Nordea Finland. Nordea Sweden will automatically dissolve on the Completion Date as a result of the Merger. For accounting and legal purposes, Nordea Sweden's rights and obligations as well as its assets and liabilities will by operation of law be transferred to Nordea Finland on the Completion Date by way of universal succession in accordance with relevant Finnish and Swedish corporate law and the transactions of Nordea Sweden will be treated as being those of Nordea Finland. Nordea Finland will change its name to Nordea Bank Abp no later than on the Completion Date. Nordea Finland will, by way of the Merger, formally obtain the names, parallel names and auxiliary names, together with translations thereof, of Nordea Sweden's branches. However, upon the completion of the Merger, the names of Nordea Finland's new branches in the Relevant Jurisdictions will be updated to reflect the new parent company of the Nordea Group.

Under Swedish law, the shareholders of a merging company do not have the right to demand at the general meeting deciding on the merger that their shares be redeemed. Therefore, as opposed to under Finnish law, shareholders of Nordea Sweden who oppose the Merger will not have the right to demand at the AGM of Nordea Sweden that their shares be redeemed. The shareholders of Nordea Sweden who do not want to receive shares in Nordea Finland as Merger Consideration, must dispose of their shares in Nordea Sweden on 28 September 2018 at the latest. For a more detailed description of the differences between the Finnish Companies Act and the Swedish Companies Act, see "*Summary of Finnish Company Law and Corporate Governance*".

If the Merger Plan is approved by the AGM of Nordea Sweden, shareholders of Nordea Sweden who wish to remain as shareholders in Nordea Finland following the Merger will not need to take any action in connection with the Merger.

Business Operations after the Merger

Nordea Sweden is the current parent company of the Nordea Group and conducts, among other services, banking business, investment services and investment activities in Finland and the Relevant Jurisdictions through branches.

The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation, and no changes in the day-to-day business operations from a customer perspective are expected therefrom. The business activities of Nordea Sweden will, to the extent they originate from Sweden, be primarily conducted by Nordea Finland through a branch in Sweden. Nordea Finland is expected to be licensed to conduct banking business, investment services and investment activities in Finland and it is also intended that Nordea Finland will hold such licences in other jurisdictions in which Nordea Sweden currently conducts such operations through branches as well as in Sweden on the Completion Date at the latest. After the Completion Date, the business activities currently conducted by Nordea Sweden will, to the extent they originate from Finland, continue to be primarily conducted by Nordea Finland without any changes due to the Merger. The business activities of Nordea Sweden, to the extent they originate from the Relevant Jurisdictions and were not conducted by Nordea Sweden itself, are intended to be primarily conducted by Nordea Finland through new branches in the Relevant Jurisdictions and, to a certain extent, directly by Nordea Finland.

Corporate Governance after the Merger

Nordea Finland is a public limited liability company incorporated in Finland and subject to, among other laws, the Finnish Companies Act. Nordea Finland will, at the time of the completion of the Merger, be a public limited liability banking company and as such be subject to, among other laws, the Finnish Act on Credit Institutions and the Finnish Commercial Banking Act.

According to the rules of Nasdaq Helsinki, all issuers of shares that are traded on the official list of Nasdaq Helsinki must comply with the Finnish Corporate Governance Code. Consequently, following the completion of the Merger and the Listing, Nordea Finland must comply with the Finnish Corporate Governance Code.

For further information on the corporate governance of Nordea following the Merger, see "*Summary of Finnish Company Law and Corporate Governance*".

Board of Directors of Nordea Finland and Group Executive Management

The boards of directors of Nordea Finland and Nordea Sweden (excluding employee representatives) are comprised of the same members, who currently are Björn Wahlroos, Lars G Nordström, Pernille Erenbjerg, Robin Lawther, Sarah Russell, Silvija Seres, Kari Stadigh, Birger Steen, Maria Varsellona and Lars Wollung. The AGM of Nordea Sweden scheduled to be held on 15 March 2018 will elect the members to Nordea Sweden's boards of directors for the period until and including the AGM in 2019. The composition of the board of directors of Nordea Finland following the

Completion Date is expected to be the same as the composition of the board of directors of Nordea Sweden immediately before the Completion Date.

The employees of the Nordea Group will, following completion of the Merger, have the right to participate in either Nordea Finland's board of directors or its management group or similar body (provided that such bodies together cover the profit units of Nordea Finland). The final outcome of the employee representation in Nordea Finland will be determined in accordance with applicable law.

The composition of Group Executive Management following the completion of the Merger is expected to be the same as the composition of Group Executive Management immediately before the completion of the Merger. See also "*—Employees*" below.

Employees

Nordea Sweden's rights and obligations under the employment agreements and employments in force at the time of the Completion Date will be transferred to Nordea Finland. Therefore, commencing from the Completion Date, Nordea Sweden's employees will be employed by Nordea Finland either directly or through the branches of Nordea Finland, and, as a result, will continue to be employed in their current home countries. Some of the employees of Nordea Sweden who perform managerial tasks within certain Group functions in Nordea Sweden may over time be employed by Nordea Finland at the new head office located in Helsinki, Finland.

Tax Treatment of the Merger

The Merger is intended to be carried out on a tax neutral basis, which means that the Merger would not give rise to any material immediate taxation. In order to determine the tax impact of the Merger on Nordea, in addition to seeking advice from external advisors, Nordea has filed applications for advance rulings on the tax treatment of the Merger in Finland and Norway. The tax neutrality of the Merger has been confirmed by a final advance ruling issued by the Finnish Tax Authority. For Danish tax purposes, the Merger will be carried out on a tax neutral basis pursuant to the Danish Merger Tax Act (Act no. 1017 of 24 August 2015, as amended). As of the date of this Prospectus, some of the applications that have been filed are still pending, including Nordea's application for advance ruling with respect to the tax neutral treatment of the Merger in Norway. While no formal ruling based on this application has yet been issued, Nordea has been informed that the Norwegian Tax Authority may in its formal ruling determine that the Merger cannot be carried out on a tax neutral basis under Norwegian tax laws. See also "*Risk Factors—Risks Relating to the Merger—There is uncertainty relating to the tax treatment of the Merger in certain jurisdictions and local tax authorities may challenge the tax neutrality of the Merger*".

Effect of Re-domiciliation on Resolution and Deposit Guarantee Fees and Certain Other Costs

This section entitled "—Effect of Re-domiciliation on Resolution and Deposit Guarantee Fees and Certain Other Costs" discusses Nordea Sweden's expectations with respect to the net present value of the savings related to resolution fees, deposit guarantees and other transitional effects ensuing from Nordea Sweden's re-domiciliation to Finland. Nordea Sweden has calculated the expected net present value impact of the re-domiciliation to Finland by discounting future, post-tax income statement effects, of the domicile change based on information available to it as of the date of this Prospectus. The calculations underlying the net present values of the expected savings have been based on currently applicable laws and regulations and on the assumption that the re-domiciliation and Merger will be carried out on a tax neutral basis through a cross-border reversed merger by way of absorption and within the timeframe currently contemplated, that is, by 1 October 2018.

The net present value estimates discussed in this section are subject to change and based on a number of assumptions and judgments relating to, among others, the level of resolution and deposit guarantee fees going forward and transitional effects due to the re-domiciliation, and have been prepared based on Nordea Sweden's current expectation on the development of the commercial, regulatory and economic environments. The estimates do not reflect unanticipated events that, among others, may result from changes in the regulatory regime, including the applicable capital requirements, to which the Nordea Group will be subject. See also "Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements".

Nordea Sweden expects the net present value of the total savings related to resolution fees, deposit guarantees and other transitional effects due to the re-domiciliation to Finland to be approximately EUR 0.9–1.2 billion. Of the net present value of the total savings, EUR 0–90 million is expected to be realised between 2017 and 2019 and EUR 900–1,070 million after 2019. The resolution and deposit guarantee fees payable for 2018 are expected to increase by approximately EUR 60–130 million compared to 2017. For 2019, these fees are expected to range from EUR 10 million lower to EUR 60 million higher compared to 2017.

The net present value estimate of EUR 0.9–1.2 billion reflects, on the one hand, expected savings related to resolution fees, deposit guarantee fees and interest deductibility on subordinated debt and, on the other hand, funding, execution and certain other costs. These savings and costs are expected to be generated as follows:

- *The total net present value of expected savings related to resolution fees is estimated to be approximately EUR 0.3–0.4 billion.* Euro area banks, including Nordea Finland following the completion of the Merger, will have to make annual contributions to the EU-wide Single Resolution Fund (the “SRF”), which is a pool of funds provided by the banking sector set up to ensure that medium-term funding support is available while a credit institution is being restructured. The contributions by banks to the SRF are based on the size and risk profile of each bank. The target size of the SRF is 1 per cent of covered deposits in EU’s banking union and will be built up during 2016–2023. In 2023, absent any pay-outs from the SRF and the fund size exceeding 1 per cent of covered deposits, the contribution collection will cease. The need for Nordea Finland to contribute beyond 2023 would be dependent on the financial condition of the more than 3,000 banks in the EU that rely on SRF in a resolution scenario. As the common overall annual target level is set for all banks participating in the EU’s Single Resolution Mechanism, consequently the contributions of all euro area banks affect the contribution requirements of each individual bank. The 20 largest banks in the banking union contributed in excess of 60 per cent of the overall amount paid in to the SRF in 2017.

The Swedish Government has proposed a resolution regime that differs from the SRF. The Swedish proposal contemplates initial contributions of 0.125 per cent of the bank’s balance sheet after deductions, which decreases to a long-term level of 0.05 per cent in 2020. The target level of the Swedish resolution fund is 3 per cent of covered deposits and is expected to be reached by 2025.

The net present value of EUR 0.3–0.4 billion remains subject to uncertainty resulting from the timing of the re-domiciliation as well as other factors such as the multiplier used for adjusting risk as well as the future balance sheets of the Nordea Group compared to the balance sheets of other banks. The major reason for the net present value range is different assumptions on the risk adjusting multiplier.

- *The total net present value of expected savings related to deposit guarantee fees is estimated to be approximately EUR 0.4–0.6 billion.* Deposit guarantee fees are paid in respect of the total amount of covered deposits both in Sweden and in Finland. The annual risk-based deposit guarantee fee in Sweden is approximately 0.12 per cent of covered deposits, compared to approximately 0.10 per cent of covered deposits in Finland. In Finland, deposit guarantee fees will cease to be collected after the target level of 0.8 per cent of covered deposits in 2024 is reached, while in Sweden there is no target level and deposit guarantee fees will continue to be levied on a continuous basis.

In Finland, the target level of 0.8 per cent must be reached for Finnish deposit guarantee fund by 2024, at the latest, with no levies thereafter. Additional fees beyond 2024 may be required in Finland should the covered deposit pool grow or if losses are assumed by the Finnish deposit guarantee fund. In addition, additional contributions will be paid to Norway as the Norwegian coverage level exceeds the Swedish and Finnish coverage level.

The net present value estimate of EUR 0.4–0.6 billion remains subject to uncertainty stemming from the timing of the re-domiciliation as well as other factors such as risk weights and the progression of the amount of covered deposits. The net present value range reflects the different assumptions made with respect to the deposit guarantee fees paid by Nordea Bank Finland Plc in Finland before its conversion into a branch of Nordea Sweden on 2 January 2017 in connection with the 2017 Subsidiary Mergers (as defined below).

- *The total net present value of expected savings related to income tax deductibility of interest payments on subordinated debt is estimated to be approximately EUR 0.3 billion.* Sweden abolished, as of January 2017, the income tax deductibility for interest payments on capital instruments and subordinated loans qualifying as additional tier 1 capital and tier 2 capital. Finland does not have a corresponding limitation. Nordea Sweden expects that the positive annual effect of income tax deductibility of interest payments will be approximately EUR 32 million. This calculation is based on the Nordea Group’s current level of subordinated debt.
- *The total net present value of the expected negative effect related to funding costs, execution costs and certain other costs is estimated to be approximately EUR 0.2 billion.* As discussed in more detail under “—Consent Solicitations” below, Nordea Sweden carried out in November 2017 consent solicitations in relation to certain series of its outstanding additional tier 1 notes and tier 2 notes to make certain technical amendments to the terms and conditions of these notes to ensure that they reflect the re-domiciliation from Sweden to Finland. This consent solicitation process resulted in increased funding costs driven primarily by consent fees. Nordea Sweden has five outstanding non-Basel III compliant instruments, which are currently being phased out as regulatory capital and, therefore, were not included in the consent solicitations. These instruments include three additional tier 1 loans and two tier 2 loans, with an aggregated outstanding amount of approximately EUR 1 billion as of

31 December 2017. The efficiency of the non-Basel III compliant instruments from both a cost and capital perspective continues to be evaluated. In addition to funding costs, the re-domiciliation process will also result in increased execution costs as well as costs related to accounting and regulatory reporting requirements, legal work and communications with customers and the coordination and running of the re-domiciliation process.

See also “*Risk Factors—Risks Relating to the Merger—Nordea may not be able to realise the savings it expects to generate through the re-domiciliation and Merger*” and “*—There is uncertainty relating to the tax treatment of the Merger in certain jurisdictions and local tax authorities may challenge the tax neutrality of the Merger*”.

Capital and Dividend Policy

The Nordea Group’s capital policy, which is set forth in the Group Board Directive on Capital, is to maintain a management buffer of 50–150 basis points above the regulatory common equity tier 1 (CET1) capital ratio requirement. The Nordea Group has initiated a dialogue with the ECB for the purpose of concluding on the detailed regulatory capital requirements that will be applied after the Merger. As of the date of this Prospectus, the Nordea Group has not received confirmation on these requirements. Following the completion of the Merger, the Nordea Group is committed to maintaining a strong capital position and has a continued focus on maintaining its current business model and AA rating.

Following the completion of the re-domiciliation and Merger, Nordea expects, similar to all other SSM-supervised banks, to be allocated pillar 2 add-ons that are split between a pillar 2 requirement and pillar 2 guidance. The level of both of these add-ons will be communicated by the ECB and the FFSA as part of the formal SREP process that is expected to be undertaken after the completion of the re-domiciliation and Merger. Currently, the SFSA’s pillar 2 add-ons do not affect the MDA level at which automatic restrictions linked to the combined buffer requirement would come into effect as the pillar 2 add-ons are not formally decided upon. However, for SSM-supervised banks the combined buffer requirement will be applied above the pillar 1 “own funds” and the decided pillar 2 requirement (but not above any pillar 2 guidance). Accordingly, the Nordea Group’s current assessment is that the MDA restriction point is expected to move upwards as a consequence of the Merger as part of the current pillar 2 add-ons are expected to become a formally decided pillar 2 requirement. Such increase would, in turn, decrease the buffer to MDA. Following the completion of the Merger, the Nordea Group’s intention is to continue to maintain a strong buffer to MDA. See also “*Risk Factors—Risks Relating to the Nordea Group’s Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—The Nordea Group is subject to extensive regulation that is subject to change*” and “*—CRD IV introduces capital requirements that are in addition to the minimum capital ratio*”.

According to Nordea Sweden’s dividend policy, Nordea Sweden strives to maintain a strong capital position in line with its capital policy with an ambition to achieve a yearly increase in the dividend per share. The current intention is to maintain this policy for the parent company of the Nordea Group irrespective of the proposed re-domiciliation and Merger.

The Nordea Group has expressed an intention to respect the hierarchy of capital instruments when making decisions on discretionary payments. However, the Nordea Group may at any time depart from this approach at its sole discretion.

Remediation Process

As part of its assessment leading up to the decision on 6 September 2017 to initiate the re-domiciliation of Nordea Sweden, the parent company of the Nordea Group, to Finland and the subsequent signing of the Merger Plan by the boards of directors of Nordea Sweden and Nordea Finland on 25 October 2017, Nordea Sweden carried out a legal and operational due diligence review related to the proposed re-domiciliation. The purpose of this review process was to identify and analyse areas within the operations of the Nordea Group where remedial actions would be required or appropriate in order to facilitate the re-domiciliation.

The re-domiciliation is proposed to be carried out through the Merger, that is, as a cross-border reversed merger by way of absorption. Upon the completion of the Merger, the assets and liabilities of Nordea Sweden will by operation of law transfer to Nordea Finland by way of universal succession in accordance with relevant Finnish and Swedish corporate law. As a result, all assets, liabilities, rights, obligations and contractual relationships of Nordea Sweden will be assumed by Nordea Finland without any further action required under Finnish and Swedish corporate law to effect the transfer.

Notwithstanding the principle of universal succession, the legal and operational due diligence review identified a number of areas in the Nordea Group’s operations where actions facilitating the re-domiciliation are required to be carried out prior to, and in connection with the implementation of, the Merger. Based on the results of the review process, Nordea Sweden has prepared detailed implementation plans that specify the actions needed to be taken in order to ensure that all necessary remedial measures are carried out. The actions to be carried out in connection with this “remediation process” include, but are not limited to, amendments to certain customer contracts, supplier contracts and funding arrangements (including obtaining any consents required for such amendments), notifications to counterparties and authorities as well as changes to selected internal systems and processes. Various registrations with local authorities are also required in jurisdictions where Nordea Sweden currently conducts business or otherwise has engagements. See also “*Risk Factors—*

Risks Relating to the Merger—A failure to complete or a delay in completing the actions carried out as part of the remediation process related to the re-domiciliation and Merger could delay the completion, or lead to the failure, of the Merger and adversely affect the Nordea Group’s business, results of operations and financial condition”.

Consent Solicitations

In November 2017, Nordea Sweden announced consent solicitations in relation to certain series of its outstanding additional tier 1 notes and tier 2 notes to make certain technical amendments to the terms and conditions of these notes to ensure that they reflect the re-domiciliation from Sweden to Finland. The noteholders approved the amendments made pursuant to the consent solicitation that included updates to definitions such as the relevant prudential regulator, applicable banking regulations, and relevant jurisdiction for prudential and tax purposes as well as technical changes to the governing law and subordination provisions and the events of default relating to winding-up proceedings, in order to reflect the new jurisdiction. Nordea Sweden undertook the consent solicitations proactively prior to the re-domiciliation with the goal of ensuring that unforeseen legal issues are not encountered and that the conditions of the notes subject to the consent solicitations continue to provide appropriate protections for holders following the completion of the Merger. The amendments to the terms and conditions were undertaken to align the terms and conditions of the notes with future debt issuance, and thereby to remove documentation uncertainties for investors.

Conditions to the Completion of the Merger

The completion of the Merger is conditional upon the following conditions:

- the Merger Plan having been duly approved at the AGM of Nordea Sweden with a two-thirds majority of the votes cast and the shares represented at the AGM. The AGM of Nordea Sweden is scheduled to be held on 15 March 2018, see “—*Annual General Meeting of Nordea Sweden to Resolve on the Approval of the Merger*” below;
- all authorisations, consents and other decisions by relevant authorities, including but not limited to Nordea Finland having been licensed by the ECB to conduct banking business, investment services and investment activities, having been obtained on terms which are acceptable to Nordea Sweden and Nordea Finland according to their respective board of directors;
- the shares in Nordea Finland having been admitted to trading on the regulated markets of Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen as of the Completion Date, see “—*Merger Consideration—Listing of the Merger Consideration Shares*” below;
- the Merger not being prohibited or, in the opinion of the respective board of directors of Nordea Sweden and Nordea Finland, impeded, in whole or in part, by any applicable laws and regulations, any change in the practices of relevant authorities or courts (including but not limited to changes in the interpretation and amendments of relevant laws and regulations) or any other reason deemed significant by the respective board of directors of Nordea Sweden or Nordea Finland; and
- the completion of the Merger having been registered with the Finnish Trade Register.

See also “*Risk Factors—Risks Relating to the Merger—There are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to complete or a delay in completing the Merger could adversely affect the Nordea Group’s business, results of operations and financial condition*”.

Annual General Meeting of Nordea Sweden to Resolve on the Approval of the Merger

General

The board of directors of Nordea Sweden has, on 24 January 2018, proposed that the AGM of Nordea Sweden scheduled to be held on 15 March 2018 resolve on the approval of the Merger Plan. The board of directors of Nordea Sweden recommends that the AGM of Nordea Sweden approves the Merger Plan.

The Merger Plan must be approved by the AGM of Nordea Sweden with a two-thirds majority of the votes cast and the shares represented at the AGM. If the AGM of Nordea Sweden does not approve the Merger Plan, the Merger will lapse (see “*Risk Factors—Risks Relating to the Merger—There are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to complete or a delay in completing the Merger could adversely affect the Nordea Group’s business, results of operations and financial condition*”).

Place and Date

The AGM of Nordea Sweden that is to resolve on the approval of the Merger Plan will be held at Vinterträdgården, Grand Hôtel, entrance Royal, Stallgatan 4, Stockholm, Sweden, at 1:00 p.m. (CET) on 15 March 2018.

Right to Participate and Notice of Attendance

Shareholders who wish to participate in the AGM of Nordea Sweden must be entered in the shareholder register of Nordea Sweden maintained by Euroclear Sweden on 9 March 2018 and notify Nordea Sweden of their participation according to the instructions set out below. Shareholders whose shares are held in the name of a nominee must, in addition to giving notice of attendance, temporarily have their shares registered in their own names in the shareholder register maintained by Euroclear Sweden in order to be entitled to participate at the AGM of Nordea Sweden. This also applies to, for example, shareholders who hold Nordea Sweden FDRs in Finland and shareholders who are holders of shares registered with VP Securities in Denmark. Such registration must be completed at Euroclear Sweden by 9 March 2018. In addition, this procedure may apply with respect to shares held on a bank's shareholder deposit account and certain investment savings accounts.

Holders of Shares Registered with Euroclear Sweden in Sweden

Notification of participation in the AGM of Nordea Sweden must be made at the latest on 9 March 2018 preferably before 1:00 p.m. (CET) by post to the address Nordea Bank AB (publ), c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, or by telephone +46 8 402 90 64, or at Nordea Sweden's website www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/.

Holders of Nordea Sweden FDRs in Finland

Request for registration in one's own name and notification of participation in the AGM of Nordea Sweden must be made at the latest on 8 March 2018 at 12:00 p.m. (EET) by post to the address Nordea Bank AB (publ), c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, or by telephone +46 8 402 90 64, or at Nordea's website www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/.

Holders of Shares Registered with VP Securities in Denmark

Request for registration in one's own name and notification of participation in the AGM of Nordea Sweden must be made at the latest on 8 March 2018 at 12:00 p.m. (CET) by post to the address Nordea Bank AB (publ), c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, or by telephone +46 8 402 90 64, or at Nordea's website www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/.

Representation by Proxy

Shareholders who are represented by proxy must issue a written, dated proxy for the representative who must be present at the AGM to be allowed to vote. The proxy form can be obtained from Nordea Sweden by telephone +46 8 402 90 64 or at Smålandsgatan 17, Stockholm, Sweden, and is also available at Nordea's website, www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/. The proxy in original should be presented to Nordea Sweden at the above-mentioned address for notification in good time prior to the AGM of Nordea Sweden. If the proxy is issued by a legal entity, a certified copy of the registration certificate or an equivalent certificate of authority must be submitted. It should be noted that shareholders that are present through a representative by proxy must notify Nordea Sweden of their participation according to the instructions set out above and must also be entered in the shareholder register maintained by Euroclear Sweden on 9 March 2018. The proxy is valid for maximum five years after its execution.

Advisers

Shareholders or their proxies may bring at most two advisers to the AGM of Nordea Sweden. An adviser to a shareholder may attend the AGM of Nordea Sweden only if the shareholder gives notice to Nordea Sweden of the number of advisers in the manner mentioned above in connection with the shareholder's notification of participation.

Other Information

Further information, such as the proposed agenda and the board of directors' proposals to the AGM of Nordea Sweden is available in the complete notice of attendance, which is available at Nordea's website, www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/.

Licences

Nordea Finland has applied for a licence to operate as a credit institution within the meaning of the Finnish Act on Credit Institutions from the ECB and the FFSA. The licence will also cover the provision of investment services and engagement in investment activities. Nordea Finland will receive deposits from the public and, therefore, it will be a deposit bank within the meaning of Chapter 1, Section 8 of the Finnish Act on Credit Institutions. The application was filed on 22 December 2017, and Nordea Finland is expected to obtain the credit institution licence during the summer of 2018, subject to the ECB's and the FFSA's approval processes.

Nordea Finland will also apply for other licences similar to those held by Nordea Sweden, including but not limited to investment services and investment activities licences under Markets in Financial Instruments Directive (MiFID) based regulations and licences to carry out insurance mediation/distribution.

Merger Consideration

General

Nordea Sweden's shareholders will receive as merger consideration one new share in Nordea Finland for each share in Nordea Sweden that they own as of the Completion Date (*i.e.*, the Merger Consideration), meaning that the Merger Consideration will be issued to the shareholders of Nordea Sweden in proportion to their existing shareholding with an exchange ratio of 1:1. The exchange ratio has been determined against the fact that Nordea Finland is a wholly owned subsidiary of Nordea Sweden without any operations of its own, which means that the value of all shares of Nordea Finland after the Merger reflects the value of all shares of Nordea Sweden.

Apart from the Merger Consideration to be issued in the form of new shares in Nordea Finland, no other consideration will be distributed to the shareholders of Nordea Sweden.

Pursuant to Chapter 23, Section 26 of the Swedish Companies Act and Chapter 16, Section 16 of the Finnish Companies Act, no shares in Nordea Sweden held by Nordea Sweden in treasury or by Nordea Finland will be entitled to receive any Merger Consideration.

Distribution and Delivery of the Merger Consideration

This section, “—Distribution and Delivery of the Merger Consideration”, discusses Nordea Finland’s expectations regarding the distribution and delivery of the Merger Consideration as of the date of this Prospectus. The completion of the proposed transactions relating to the Merger are dependent on the processes, systems as well as the cooperation of Euroclear Sweden and Euroclear Finland, over which neither Nordea Sweden nor Nordea Finland has any control. Any malfunction or delay in the book-entry securities system or any failure by any relevant party may result in the distribution and delivery of the Merger Consideration not taking place as expected or being delayed, or the transactions not being carried out as currently expected. See also “Risk Factors—Risks Relating to the Merger—There are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to complete or a delay in completing the Merger could adversely affect the Nordea Group’s business, results of operations and financial condition”.

The Merger is estimated to be registered with the Finnish Trade Register during the second half of 2018, tentatively on 1 October 2018. The following dates are provided for illustrative purposes only and assume that the Completion Date will be 1 October 2018. Nordea Finland will publish further detailed information on the applicable record dates, settlement schedules, the dates when the Merger Consideration will be reflected on shareholders’ accounts and other technical information relating to the distribution and delivery of the Merger Consideration prior to the Completion Date.

The Merger Consideration will be distributed to the shareholders of Nordea Sweden on or about the Completion Date based on the number of shares in Nordea Sweden or Nordea Sweden FDRs held by each shareholder on the applicable record date. The Merger Consideration will be distributed automatically, and no action will be required from the shareholders of Nordea Sweden in relation thereto.

The shares in Nordea Finland constituting the Merger Consideration will be registered with Euroclear Finland. For shareholders in Nordea Finland who held Nordea Sweden FDRs directly prior to the Merger, the shares in Nordea Finland will be recorded on such shareholders’ accounts. For shareholders of Nordea Finland who directly held shares in Nordea Sweden prior to the Merger, Euroclear Sweden will maintain a custodian’s/account operator’s account in the Euroclear Finland system with a number of shares in Nordea Finland equivalent to the number of shares in Nordea Sweden held by such shareholders. Following the conversion of the Nordea Sweden FDRs into shares in Nordea Finland, the Nordea Sweden FDR programme will cease.

Trades in shares in Nordea Sweden or Nordea Sweden FDRs made around the Completion Date will, to the extent settled after the applicable record date, be settled in shares in Nordea Finland.

All shareholders in Nordea Sweden will become legal owners of the Merger Consideration shares on the Completion Date (*i.e.*, 1 October 2018). However, it is expected that this may not be fully reflected on the shareholders’ accounts on the Completion Date (which is solely a technical matter and a consequence of the technical limitations of, among other things, the Euroclear Sweden System). Nordea Finland will publish further information on when the Merger Consideration will be reflected on shareholders’ accounts prior to the Completion Date.

It is recommended that shareholders who want to sell or transfer their shares in Nordea Finland in the days immediately following the Completion Date contact their bank in good time before the Completion Date to ensure that this is technically possible.

Pursuant to Chapter 4, Section 4 of the Finnish Act on the Book-Entry System and Clearing and Settlement (Fi: *laki arvo-osuusjärjestelmästä ja selvitystoiminnasta (348/2017)*), there is a general ban on nominee-registration of securities owned by Finnish legal or natural persons. Therefore, Finnish legal or natural persons holding shares in Nordea Sweden are required, at the latest on the Completion Date, to hold the Merger Consideration in a Finnish book-entry account opened in the name of the relevant shareholder, in order to avoid nominee-registration of the shares in Nordea Finland received as Merger Consideration.

Should a shareholder's shares in Nordea Sweden be pledged at the time of distribution of the Merger Consideration, the Merger Consideration received by the pledger will remain pledged to the pledgee. Should a shareholder's shares in Nordea Sweden be registered in the name of a nominee, the distribution will be made to the nominee. For holders of Nordea Sweden FDRs, the Nordea Sweden FDRs will be replaced by the Merger Consideration. This means that if the Nordea Sweden FDRs are pledged at the time of the distribution of the Merger Consideration, the Merger Consideration received by the pledger will remain pledged to the pledgee. Similarly, should the Nordea Sweden FDRs be registered in the name of a nominee, the distribution will be made to the nominee.

The Merger Consideration will be issued automatically, and no action will be required from the shareholders of Nordea Sweden, including the holders of Nordea Sweden FDRs, in relation thereto.

Listing of the Merger Consideration Shares

Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen have approved the listing of the shares in Nordea Finland on their official lists as from the Completion Date. Such approval is conditional upon, among other things, this Prospectus being updated in accordance with applicable law and that no information or event takes place between the decision and the time of admission to trading that would affect the basis for the approval decision. Trading in the shares in Nordea Finland on Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen is expected to commence on or about 1 October 2018. Trading in the shares in Nordea Sweden on Nasdaq Stockholm and Nasdaq Copenhagen as well as the trading in the Nordea Sweden FDRs on Nasdaq Helsinki is expected to end on or about the last trading day preceding the Completion Date.

Rights Attached to the Merger Consideration Shares

The shares in Nordea Finland will entitle the holders to dividends and other distributions of funds by Nordea Finland as well as other shareholder rights as of the Completion Date. The shares in Nordea Finland will not carry any special rights.

The existing share in Nordea Finland currently held by Nordea Sweden will be cancelled upon the completion of the Merger.

Fees and Expenses Related to the Merger

The total costs expected to be incurred by Nordea in connection with the re-domiciliation and Merger primarily comprise funding related execution costs and project costs, including IT, legal and advisory costs but excluding staff costs, and are expected to be approximately EUR 100 million before tax (undiscounted), of which EUR 11 million had been incurred as of 31 December 2017.

DESCRIPTION OF THE NORDEA GROUP

The following discussion provides an overview of the Nordea Group and its operations and, except where it is clear from the context that the references mean otherwise, the following discussion is intended to describe the Nordea Group and its operations both before and after the completion of the Merger.

General

The Nordea Group is the largest financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income, with additional operations in Russia and Luxembourg, and branches in a number of other international locations. The Nordea Group is also active in Estonia, Latvia and Lithuania through Luminor, a Baltic bank owned by Nordea and DNB that comprises the Nordea Group's and DNB's customers across the three markets. Nordea believes that the Group has the largest customer base of any financial services group based in the Nordic markets with over 10 million customers across the markets in which it operates, including approximately 9.6 million household customers and approximately 0.6 million corporate and institutional customers, in each case as of 31 December 2017. As of the same date, the Nordea Group had total assets of EUR 581.6 billion and tier 1 capital of EUR 28.0 billion, and was the largest Nordic-based asset manager with EUR 330.4 billion in assets under management.

As a universal bank, the Nordea Group offers a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. The Nordea Group's products and services comprise a broad range of household banking services, including mortgages and consumer loans, credit and debit cards, and a wide selection of savings, life insurance and pension products. In addition, the Nordea Group offers a wide range of corporate banking services, including business loans, cash management, payment and account services, risk management products and advisory services, debt and equity-related products for liquidity and capital raising purposes, as well as corporate finance, institutional asset management services and corporate life and pension products. The Nordea Group also distributes general insurance products. With approximately 500 branch office locations, call centres in each of the Nordic markets, and a highly competitive net bank, the Nordea Group also has the largest distribution network for customers in the Nordic markets.

Nordea Sweden, the parent company of the Nordea Group, is incorporated in the Kingdom of Sweden and is headquartered in Stockholm. Its ordinary shares are listed on Nasdaq Nordic, the stock exchanges in Stockholm (in Swedish krona), Helsinki (in the form of Nordea Sweden FDRs with prices quoted in euro) and Copenhagen (in Danish krone).

As discussed in more detail under "*Merger of Nordea Sweden into Nordea Finland—Background and Reasons for the Merger*", the board of directors of Nordea Sweden has decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, which is participating in the EU's banking union. The re-domiciliation is proposed to be carried out through the Merger, that is, as a cross-border reversed merger by way of absorption through which Nordea Sweden, the current parent company of the Nordea Group, will be merged into Nordea Finland, a newly established Finnish subsidiary of Nordea Sweden. Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen have approved the shares in Nordea Finland for listing on their official lists subject to the conditions set out under "*Merger of Nordea Sweden into Nordea Finland—Merger Consideration—Listing of the Merger Consideration Shares*". See also "*Risk Factors—Risks Relating to the Merger—There are risks and uncertainties associated with the proposed re-domiciliation and Merger, and a failure to complete or a delay in completing the Merger could adversely affect the Nordea Group's business, results of operations and financial condition*".

Strengths

Management believes that the Nordea Group has a number of key strengths upon which it continues to build its strategy, including the following:

- ***Large, diversified customer base and strong distribution network.*** The Nordea Group's unique Nordic customer franchise of approximately 9.6 million household customers and approximately 0.6 million corporate and institutional customers, each as of 31 December 2017, is served by the most extensive distribution network in the Nordic markets, combined with contact centres and a net bank used by approximately 4.5 million active customers. The Nordea Group's leading market presence in the Nordic financial services markets is complemented by activities in Russia as well as in the Baltic countries through Luminor. No single country accounted for more than 30 per cent of the Nordea Group's operating income in 2017, and the business mix is balanced between the corporate and household sectors. Nordea believes that the Nordea Group's high degree of diversification combined with its scale and market leadership, provides a strong platform for stability and sustained profitability through the cycle.
- ***Clear strategic direction with a scalable business.*** Since 2007, Nordea has consistently pursued its relationship strategy. The Nordea Group has maintained this strategic direction despite the challenging macroeconomic

environment during the past years. At the core of the strategy is the segmentation of customers and differentiation of both value proposition and resource allocation according to customer needs. This business model provides a clear and transparent framework for employees and customers alike and has resulted in increased customer loyalty and cross-selling opportunities within the Nordea Group's existing customer base. The execution of the strategy is facilitated by the Nordea Group's organisational structure, which was implemented in 2011 and further revised in 2016 and builds on the value chain thinking that has been central in the Nordea Group's operating model since 2007.

- **Strong balance sheet and capital position.** The Nordea Group's risk exposure amount (REA), excluding Basel I floor, amounted to EUR 126 billion as of 31 December 2017. The Nordea Group's balance sheet capacity, which Nordea believes is unmatched in its markets, makes the Nordea Group well positioned to support the financing needs of its customers, including during challenging periods. The Nordea Group has a strong capital position, with EUR 28.0 billion in tier 1 capital, of which EUR 24.5 billion was common equity tier 1 (CET1) capital, in each case as of 31 December 2017. As of the same date, the Nordea Group's common equity tier 1 (CET1) capital ratio, excluding Basel I floor, was 19.5 per cent and its tier 1 capital ratio, excluding Basel I floor, was 22.3 per cent. For additional information on capital adequacy requirements applicable to the Nordea Group, see "*Supervision and Regulation—Capital Adequacy, Liquidity and Leverage*". Its large balance sheet and sizable customer base and operations also give the Nordea Group substantial economies of scale.
- **Prudent risk management, solid funding position and strong credit rating.** A prudent approach to risk management is an integral part of the Nordea Group's organisation and culture. The Nordea Group applies one risk management framework across all businesses and geographic markets with stringent central oversight. The Nordea Group's consistent focus on risk management has resulted in comparatively low historical loan losses with sound asset quality underpinned by a highly diversified loan portfolio. In addition, the Nordea Group has a strong and well-diversified funding structure where funding and liquidity management aims at prudence regarding both long-term and short-term risks. The amount of new and extended long-term funding issued in 2017 was EUR 14.6 billion, excluding subordinated notes and Danish covered bonds. The portion of long-term funding of the Nordea Group's total funding as of 31 December 2017 was 81 per cent. Short-term liquidity risk was held at moderate levels throughout 2017 with a liquidity buffer of EUR 99 billion as of 31 December 2017 and with an average buffer size of EUR 85 billion in 2017. The Nordea Group's liquidity buffer is composed of highly liquid central bank eligible securities with characteristics similar to Basel III / CRD liquid assets. Nordea believes it also benefits from being a well-recognised AA-rated bank (AA- (stable outlook), Aa3 (stable outlook) and AA- (stable outlook) counterparty credit ratings as of the date of this Prospectus from Standard & Poor's, Moody's and Fitch, respectively) practicing prudent liquidity management, with a conservative business profile. Following the decision by the board of directors of Nordea Sweden to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, Standard & Poor's, Moody's and Fitch have indicated that they do not expect the re-domiciliation to affect the credit ratings issued by them as long as the bank's credit profile does not deteriorate. This, combined with the well-diversified and strong funding base, including stable household deposits and the access to domestic covered bond markets, have all contributed positively to the Nordea Group's funding position.

Strategy

The Nordea Group is a universal banking group with a relationship strategy centred on its customers and advisory capabilities. The Nordea Group's strategic direction is primarily driven by, and reflective of, the needs of its customers and the challenging macroeconomic and regulatory environment in which the Nordea Group and its customers operate. The Nordea Group strives to provide excellent customer experiences and holistic financial solutions in a low risk, efficient and diversified manner. By serving the customers and fine-tuning its business, Nordea believes that the Nordea Group can further develop its low risk focused and stable franchise, and thereby provide access to funding at competitive price levels. In operational terms, during the past years, the Nordea Group has had a clear focus on constantly improving its cost and capital efficiency in order to maintain a sustainable operating model, secure competitive offerings and remain a solid banking institution. The legal structure of the Nordea Group is also undergoing a transformation process to better reflect the Nordic way in which the Nordea Group operates today.

To be the future relationship bank it strives to be, the Nordea Group needs to be efficient and scalable, fast and agile as well as resilient and compliant. The transformational journey, which has been ongoing since 2015, is moving into the execution phase, which is about enhancing core competitiveness through very specific initiatives within, among others, the distribution and service models, credit processes, IT and operations as well as key support functions. At the same time, the credit portfolio is being focused towards the core Nordic market with a continued emphasis on risk reduction.

The Nordea Group will continue to evolve into “One Nordea” through strengthened culture and consistent execution focusing on the following four areas:

- **clear customer vision**, meeting customer needs with a constant focus as being considered easy to deal with, relevant and competent, anywhere and anytime and where the personal and digital relationship makes Nordea a safe and trusted partner.
- **common way of working**, the Nordea Group’s four main business areas’ value chains are designed to support the focused relationship strategy and Nordea believes that having one operating model and business area ownership of the end-to-end value chain ensures a comprehensive view, accountability and congruity, and it also safeguards operational efficiency by improving the quality of customer relationships, increasing the time spent with customers and reducing the time required to bring new products and services to market.
- **simplification of common systems**, to deliver excellent customer experiences in the face of digitalisation, changing customer behaviour and increased operational regulations, Nordea believes that the Nordea Group will need to become more agile and realise the full potential of scale while ensuring continued resilience; to do so, the Nordea Group will continue to adopt and develop best practices and strive for transparency and reduced complexity in products and processes.
- **common values**, clear values and principles are reflected in the objectives and incentives that are set within the Nordea Group, and how managers lead, develop and support people; values and leadership are the strongest drivers of performance and corporate culture. Nordea believes that the pan-Nordic platform of the Nordea Group with scalability, superior Nordic distribution power with global capabilities and actively managed business portfolio and focus on low volatility will continue to create significant value for all stakeholders.

Main Strategic Priorities

The Nordea Group has embarked on a number of strategic initiatives to meet the customer vision and to drive cost efficiency, compliance and prudent capital management.

Strengthening the Customer-Centric Organisation

To facilitate a sharp customer focus, and to reflect the unique needs of the different customer segments, Nordea is organised into four business areas: Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management. By having one operating model and an end-to-end value chain for each segment, the Nordea Group seeks to ensure optimal delivery, while increasing the time spent with customers and reducing the time required to bring new products and services to market.

Digitalisation and Distribution Transformation

Digitalisation is one of the main drivers for change in banking as well as in many other industries. Customer preferences and expectation on accessibility, easiness and personalisation are key reasons behind this trend. The Nordea Group has seen, and continues to see, a rapid increase in customer demand for mobile solutions. In order to generate a truly digital bank, the Nordea Group is on a transformational journey. The ramp-up phase of this journey was completed between 2015 and 2017, and the Nordea Group is now moving into the execution phase, which will continue until 2021. At the end of this phase, the ambition is that the Nordea Group’s distribution channels, processes, IT infrastructure and operations will be state-of-the-art, enabling efficient, agile and compliant operations. The transition activities include the shift from physical to digital distribution and the establishment of e-branches as well as the use of artificial intelligence.

One Bank

The legal structure of the Nordea Group is undergoing a transformation process to better reflect the Nordic way in which the Nordea Group operates today. As part of this simplification process, Nordea Sweden’s Danish, Finnish and Norwegian subsidiary banks were converted to branches of Nordea Sweden on 2 January 2017. In September 2017, the board of directors of Nordea Sweden decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, which is participating in the EU’s banking union, which Nordea Sweden expects will promote the interests of customers, shareholders and employees. Irrespective of domicile, the new legal structure supports the Nordea Group’s work to increase agility, efficiency and economies of scale, and also strengthens governance. The Nordea Group’s ambition continues to be to make it easier for its customers to deal with us across borders, while at the same time leveraging on its expertise as One Nordea.

Simplification

The Nordea Group believes that by 2021, billions of new devices will be connected to the internet. Today, new technologies are developed and delivered in a period of months, and customers are adapting by accepting the increasing role technology has in the society. The Nordea Group believes that its future competitive advantage will be driven by the

way it integrates new and existing technology to improve customers' lives, and by the speed at which it does so. To offer customers security, unlimited access, seamless transactions and tailored services, the Nordea Group is simplifying its core, redesigning its infrastructure and changing the way it operates. Simplification is at the heart of this transformation, and in line with this the Nordea Group is piloting new and agile ways of working, while converging over 400 legacy platforms into a new core banking platform, a new payment platform, a customer and counterparty master solution and a common data warehouse.

Cultural Transformation – Purpose and Values

In order to adapt to the sweeping changes in the banking industry and in customers' needs, the Nordea Group has embarked on a cultural journey with the belief that no business transformation can succeed without also incorporating a human transformation. The culture should clearly define who the Nordea Group are, what it stands for, how it behaves and how it decides what is right. During the spring of 2017, extensive work was carried out in order to define the Nordea Group's purpose and values, which will be supporting a strong culture and business foundation.

Trust and Responsibility

The Nordea Group has set a target to be best in class in terms of regulatory compliance in the Nordic countries and will continue to further strengthen its emphasis on implementing new rules and regulation quickly, making this an integral part of the Nordea Group's business model, thereby making it possible to capture the benefits of the compliance-related investments and form a deeper understanding of the Nordea Group's customers and risks.

Business Area Strategies

The Nordea Group's four main business areas all have their own strategic focus areas that contribute to the Nordea Group's relationship strategy.

Personal Banking

Leveraging its scale to cost-efficiently serve all its customers on their banking needs, Personal Banking will further focus on improving accessibility and convenience, with the goal of ensuring that the business area's strong competence can be leveraged by customers to an even greater degree. Providing the right digital solutions and experiences to customers continues to play a key role in this development. Benefiting from the Nordea Group's simplification initiatives and technology investments, including the cost-efficient daily banking platform, Personal Banking provides its customers with standardised, easy-to-use products they need for every-day activities. Meeting customers' preferences for self-service is an important element of these daily banking products. For more advanced customer needs, Personal Banking will continue to make its advisors easily available through online meetings, aimed to ensure great value for customers and an efficient high-end distribution model for the bank. Across the full scale of offerings, digital solutions are increasingly taking a prime role in all interactions from offering convenient daily banking experiences to supporting and complementing advisors in more advanced matters. Based on these focus areas, Personal Banking will further tailor offers and services to match needs and preferences of its different customer groups, with special attention on the Home Owner and Affluent customer groups.

Commercial & Business Banking

The strategic focus areas of Commercial & Business Banking are (i) to be best in class in advisory that is tailored to customer needs and preferences, (ii) to be best in class in digital experience that is available anywhere and anytime, and (iii) to utilise efficiency and scale in leveraging the Nordea Group's Nordic model with the goal of making the business area even more cost and capital efficient. Commercial & Business Banking's divisions are strengthening their advisory services, focusing on cross sales and increasing flexibility for customers by expanding advisory, sales and service to digital channels. With new digital channels and virtual branches, Commercial & Business Banking seeks to improve the customer experience by increasing the availability with more contact points and easier access. Commercial & Business Banking aims to provide a best in class digital experience by building a common integrated digital platform and using analytics to increase relevance and tailor digital interactions to individual customer needs and preferences. In Transaction Banking, a group of initiatives such as the "Payment Strategy" will enable Nordea as whole and across the different products and customer segments to co-create and innovate with customers and third parties, and lead the way in the Nordic market in order to offer great customer experiences and new holistic value propositions for our customers. Commercial & Business Banking as a whole also seeks to deliver efficiency and scale by simplifying and digitising products and processes across geographies, by running capital efficiency initiatives and working on how to best deploy its resources as well as by building the platforms and infrastructure of the future. This enables Commercial & Business Banking to make late choices and move quicker so that it is always relevant to customers.

Wholesale Banking

Wholesale Banking is focused on maintaining its position as a leading wholesale bank in the Nordic region. Wholesale Banking focuses on shifting towards capital-light solutions, managing for returns as well as leveraging its leading market position in the Nordic region. The essence of the business area's strategy is to develop long-term relationships and provide constant value-add for customers in support of their business. The strong strategic position with global expertise and scale combined with strong local market knowledge make the organisation well equipped for continuously improved relevance and commercial impact towards customers as well as further support business selection and capital allocation. The Wholesale Banking Chief Operating Officer (“COO”) organisation, which has a key role in the even more regulated and digital environment, was gradually implemented during 2016 to secure compliance, end-to-end process and improvements with focus on quality, risk and efficiency.

Wealth Management

The strategy of Wealth Management is to form strong client relationships, based on superior quality of advice and solutions, delivered efficiently through an integrated value chain. Wealth Management aims to take advantage of digitalisation and operational streamlining to enhance efficiency across the organisation. Wealth Management prioritises strategic investments in (i) establishing leading digital offerings to enhance value propositions and improve advisor efficiency, including upgraded digital touchpoints, (ii) new product offerings to meet shifting client demand adapted to the current low yield environment, with product capabilities including leveraging its strong multi-asset investment process and alternative investments, and (iii) establishing a leading retirement offering that targets a large, growing and underserved segment by developing new advisory and product capabilities. Wealth Management continues to focus on prudent resource management and prioritisation by balancing new investments with efficiency gains and allocating resources to where it believes most value is created. Enhanced collaboration across the Nordea Group is essential to reaching these objectives.

History

The Nordea Group was created through combination of four large Nordic financial institutions: Nordbanken AB (publ) in Sweden merged with Merita Bank Abp in Finland in 1997 to form MeritaNordbanken, which, in turn, merged with Unidanmark A/S in Denmark and acquired Christiania Bank & Kreditkasse ASA in Norway in 2000. Nordea subsequently acquired Postgirot Bank AB (publ) in Sweden in 2001. The Group has operated under the name Nordea since December 2001. The Nordea Group's operations in the Baltic countries (currently part of Luminor, a Baltic bank owned by Nordea and DNB that comprises the Nordea Group's and DNB's customers across Estonia, Latvia and Lithuania) and subsequently divested operations in Poland stem from the business activities of its predecessor companies, which initiated operations in Estonia in 1992, Latvia in 1997, Poland in 1999 and Lithuania in 2000. The Nordea Group further extended its presence in these countries by acquiring local companies, including LG Petro Bank in Poland in 2002, Kredyt Bank in Lithuania in 2004 and the Polish life insurance operations of Sampo plc in 2005. In 2007, Nordea acquired a majority stake in OJSC Nordea Bank (prior to 31 August 2009, JSB Orgresbank) in Russia and, in December 2008, acquired the remaining 17.7 per cent of OJSC Nordea Bank's shares from two management shareholders and the European Bank for Reconstruction and Development (completed in May 2009).

The Nordea Group divested its Polish banking, financing and life insurance operations in 2014. In October 2017, Nordea announced that Nordea and DNB, Norway's largest financial services group as measured by total assets, had combined their operations in Estonia, Latvia and Lithuania into Luminor. For more information, see “—Legal Structure—Nordea Group” below.

Legal Structure

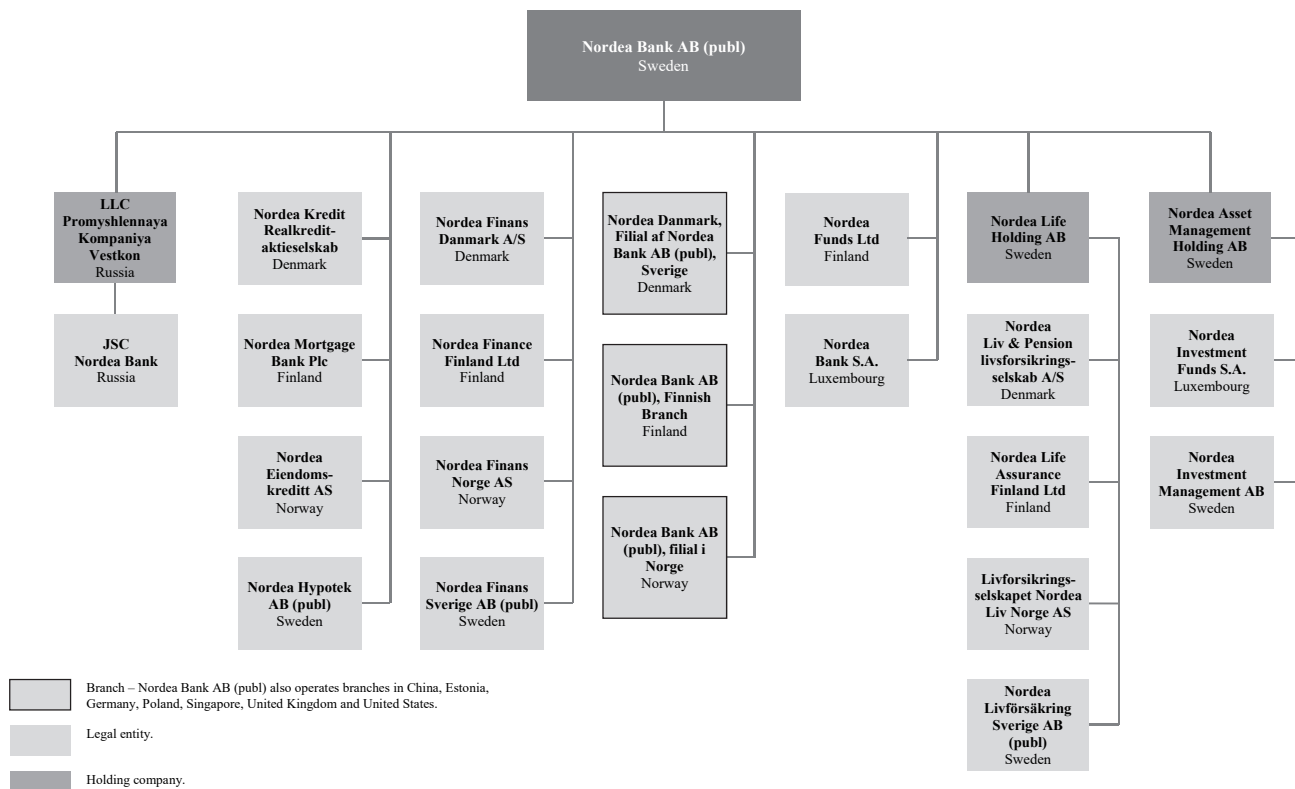
Nordea Group

To improve operating capacity, reduce risk exposure and enhance capital efficiency, Nordea Sweden's board of directors initiated a change in the Nordea Group's legal structure in June 2003. The internal restructuring commenced in 2003 when Nordea AB (publ), the parent company of the Nordea Group, acquired Nordea Bank Sverige AB (publ), Nordea Bank Danmark A/S and Nordea Bank Norge ASA from Nordea Bank Finland Plc. At the same time, Nordea AB (publ) also acquired Nordea North America, Inc. from Nordea Bank Finland Plc. Following these transactions, Nordea AB (publ) was established as a bank and its name was changed to Nordea Bank AB (publ). Thereafter, Nordea Bank Sverige AB (publ) merged with Nordea Bank AB (publ). The merger was registered with the Swedish Patent and Registration Office (currently the Swedish Companies Registration Office) on 1 March 2004.

Nordea announced on 4 February 2016 that the board of directors of Nordea Sweden, together with each of the boards of directors of Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA, had signed cross-border merger plans (together, the “**2017 Subsidiary Merger Plans**”). On 17 March 2016, the general meeting of Nordea Sweden approved the 2017 Subsidiary Merger Plans that were entered into with the aim to convert Nordea Sweden's Danish, Finnish and Norwegian subsidiary banks to branches of Nordea Sweden by means of cross-border mergers

(the “2017 Subsidiary Mergers”). The 2017 Subsidiary Mergers took effect on 2 January 2017 under applicable national legislation implementing the European Cross Border Mergers Directive (2005/56/EC) and Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA became branches of Nordea Sweden. On 1 October 2016, as part of the 2017 Subsidiary Mergers process, a new mortgage credit bank (Nordea Mortgage Bank Plc) was established in Finland to continue the covered bond operations conducted by Nordea Bank Finland Plc. Nordea believes that the new simplified legal structure strengthens governance and supports the Nordea Group’s work to increase agility, efficiency and economies of scale.

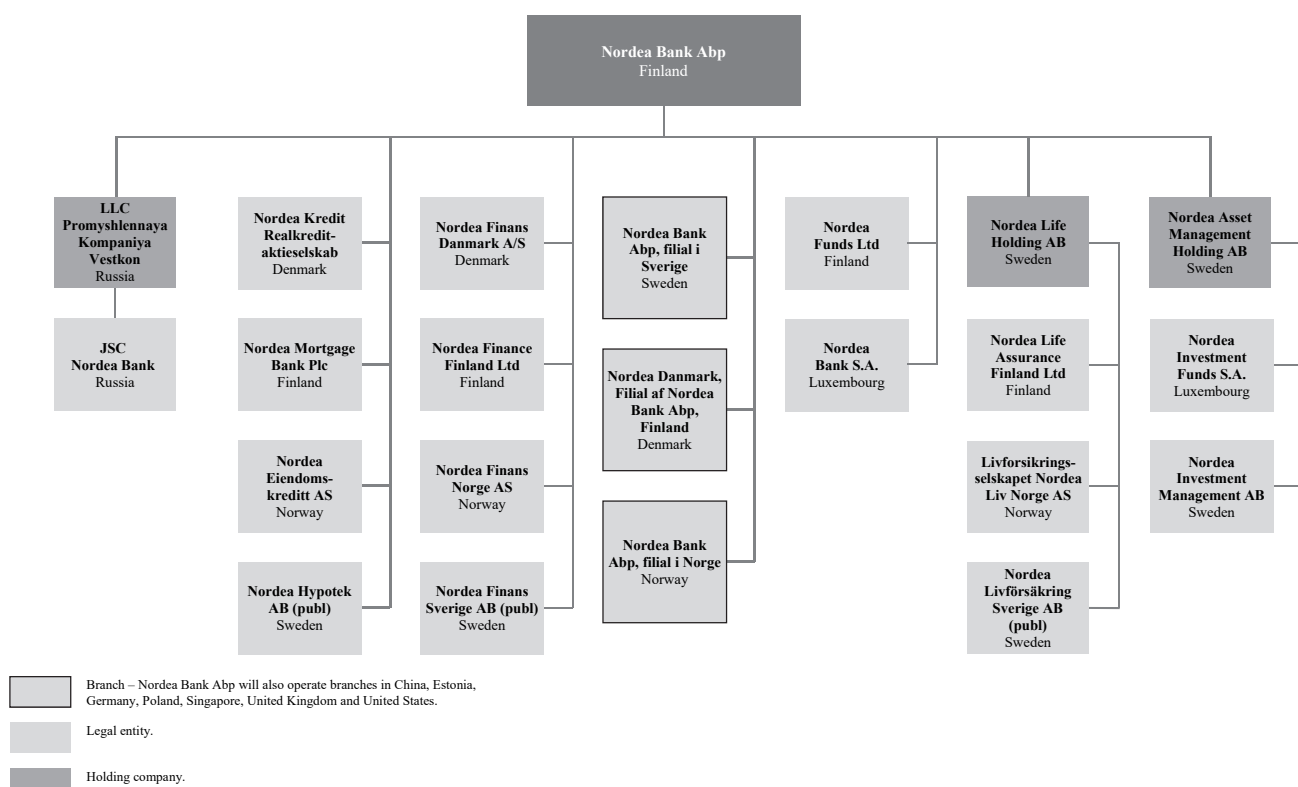
The following chart sets forth the main legal structure of the Nordea Group as of the date of this Prospectus:



On 25 August 2016, Nordea announced that Nordea and DNB, Norway’s largest financial services group as measured by total assets, had entered into an agreement to combine their operations in Estonia, Latvia and Lithuania into a new bank. The transaction was completed on 1 October 2017. The new Baltic bank, which is called Luminor, comprises the Nordea Group’s and DNB’s customers across the three markets. Nordea holds approximately 56 per cent of the economic rights, reflecting the equity value of Nordea’s contribution to the new company at the time of the closing of the transaction, and approximately 50 per cent of the voting rights of the new company. Nordea and DNB have equal representation on Luminor’s board of directors and the Chairman will be independent. In Nordea’s results, Luminor has been accounted for using the equity method from the fourth quarter of 2017. See also “*Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale*”.

As discussed in more detail under “*Merger of Nordea Sweden into Nordea Finland—Overview of the Merger*”, the board of directors of Nordea Sweden has decided to initiate a re-domiciliation of the parent company of the Nordea Group from Sweden to Finland, which is participating in the EU’s banking union. The re-domiciliation is proposed to be carried out through the Merger, that is, as a cross-border reversed merger by way of absorption through which Nordea Sweden, the current parent company of the Nordea Group, will be merged into Nordea Finland, a newly established Finnish subsidiary of Nordea Sweden.

The following chart sets forth the expected main legal structure of the Nordea Group after the Merger:



For additional information on the legal structure of and the companies belonging to the Nordea Group, see “*Note P20*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Nordea Sweden

The parent company of the Nordea Group, Nordea Sweden was incorporated on 6 October 1997 in accordance with Swedish law. According to Article 3 of its articles of association, the object of Nordea Sweden is to conduct banking business referred to in Chapter 1, Section 3 of the Swedish Banking and Financing Business Act and to conduct financial operations naturally connected therewith in accordance with Chapter 7, Section 1 of the Swedish Banking and Financing Business Act. The articles of association of Nordea Sweden are included as Annex I to this Prospectus.

Nordea Sweden is subject to the Swedish Companies Act and is licensed to conduct banking operations in accordance with the Swedish Banking and Financing Business Act. Nordea Sweden is also authorised, among other things, to carry out securities operations and pension savings operations and to serve as a registered nominee of units of collective investment schemes (UCIT funds). See also “*Supervision and Regulation*”. Nordea Sweden is registered at the Swedish Companies Registration Office (Sw: *Bolagsverket*) under the name Nordea Bank AB and is a public (publ) limited liability company with registration no. 516406-0120. The head office of Nordea Sweden is located in Stockholm at the following address: Smålandsgatan 17, SE-105 71 Stockholm, Sweden (telephone no. +46 8 614 70 00).

Nordea Sweden will automatically dissolve on the Completion Date as a result of the Merger.

Nordea Finland

Nordea Finland, the parent company of the Nordea Group following the completion of the Merger, was established by Nordea Sweden and registered with the Finnish Trade Register on 27 September 2017 and is a public limited liability company organised under the laws of Finland. The trade name of Nordea Finland is Nordea Holding Abp (Nordea Holding Oyj in Finnish). The trade name of Nordea Finland will be changed to Nordea Bank Abp (Nordea Bank Oyj in Finnish) following receipt of the credit institution licence from the ECB. According to Article 2 of its current articles of association, Nordea Finland operates in the investment and finance sectors and it may also own and administer securities, trade in securities and manage and divest real property for its own account. According to Article 2 of Nordea Finland’s articles of association following the receipt of the credit institution licence, as a commercial bank, Nordea Finland engages in business activities that are permitted to a deposit bank pursuant to the Finnish Act on Credit Institutions. Nordea Finland provides investment services and performs investment activities pursuant to the Finnish Act on Investment Services. Further, in its capacity as parent company, Nordea Finland attends to and is responsible for overall

functions in the Nordea Group, such as management, supervision, risk management and staff functions. The current articles of association of Nordea Finland as well as the articles of association of Nordea Finland following the receipt of the credit institution licence are included as Annex G and Annex H, respectively, to this Prospectus. Nordea Finland is registered in the Finnish Trade Register under business identity code 2858394-9. The head office of Nordea Finland is located in Helsinki at the following address: Satamaradankatu 5, FI-00020 Nordea, Helsinki, Finland.

Nordea Group's Organisation

Overview

The Nordea Group's organisational structure is built around four main business areas: Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management. In addition to the business areas, the Nordea Group's organisation includes the following six Group functions: Group Corporate Centre, Group Finance & Treasury, Group Risk Management and Control, Group Compliance, Chief of Staff Office, Group People and Group Internal Audit.

In the Nordea Group's organisation, all parts of the value chains, namely customer responsibility, support, products, staff and IT development, have been incorporated into the four main business areas with the objective to improve efficiency, increase return on equity and deepen customer relationships. By organising the business areas around value chains, Nordea believes that the responsibilities for creating efficiencies will be clearer and that the Nordea Group will be able to respond to new regulatory and investor demands in a more agile manner. The four main business areas are designed to support the relationship strategy for each specific customer segment. Having one operating model and an end-to-end value chain aims to ensure optimal delivery, increasing time spent with customers and reducing the time required to bring new products and services to the market.

Of the Nordea Group's business areas, Personal Banking serves the Nordea Group's household customers. The business area includes advisory and service staff, channels and product units under a common strategy, operating model and governance across markets. Personal Banking comprises the units Personal Banking Denmark, Personal Banking Finland, Personal Banking Norway, Personal Banking Sweden and Digital Banking, Products, Strategy & Development, and COO Personal Banking.

Commercial & Business Banking serves large corporate customers (Commercial Banking) and small and medium-sized corporate customers (Business Banking), and includes the units Commercial Banking, Business Banking, Transaction Banking, COO Commercial & Business Banking, People and Core functions.

Wholesale Banking provides services and financial solutions to the Nordea Group's largest corporate and institutional customers. Customers are served through a pan-Nordic platform complemented by selected international branches. The business area provides its customers with products and services within corporate banking, cash management and trade finance services, investment banking and capital markets products. The Wholesale Banking business area includes the business units Corporate & Investment Banking, OJSC Nordea Bank ("**Nordea Bank Russia**"), Fixed Income, Currency & Commodities ("**FICC**"), Equities and Core functions, including COO Wholesale Banking.

Wealth Management provides investment, savings, life insurance and risk management products. Customers are served through various channels, including a pan-Nordic Private Banking platform complemented by an International Private Banking unit. The business area manages customers' assets and gives financial advice to affluent and high net worth individuals as well as institutional investors. Wealth Management includes the units Private Banking, Asset Management, Life & Pensions, Investment Solutions & Advisory Centre, Business Development and Operations.

Group Corporate Centre provides strategic frameworks, common infrastructure and processes for the Nordea Group. Group Corporate Centre supports the Nordea Group within capital models, balance sheet management and investor relations. Through the COO organisation, Group Corporate Centre is also responsible for fully implementing one operating model by harmonising processes and services and supporting simplification, IT and compliance activities across the Group. Group Corporate Centre consists of Group COO organisation, COO Group Functions, COO Project Management Office, Group Simplification, Business Transformation, Regulatory Change Management and Group IT and Group Digital.

Group Finance & Treasury provides financial reporting frameworks for the Nordea Group and includes Group Financial Management, Group Treasury & Asset and Liability Management ("**Group Treasury & ALM**"), Investor Relations, Group Financial Control & Operations, Group Accounting & Tax, Group Finance and Group Procurement.

Group Risk Management and Control manages and monitors all aspects of risks, including credit, market or operational risk. Group Risk Management and Control includes Group Credit Risk Control, Group Market and Counterparty Credit Risk, Group Operational Risk, Risk Models, Group Risk COO, Enterprise Wide Risk Management and Balance Sheet Risk Controls.

Group Compliance is the Nordea Group's independent compliance function. It has the responsibility to maintain oversight of compliance risk management across the entire Group. Group Compliance includes the units supporting each business area and Group function, units targeted at specific risk areas such as Financial Crime and Conduct Risk as well as shared functions such as a Chief Operating Officer unit, a Monitoring unit and a Regulatory Affairs unit.

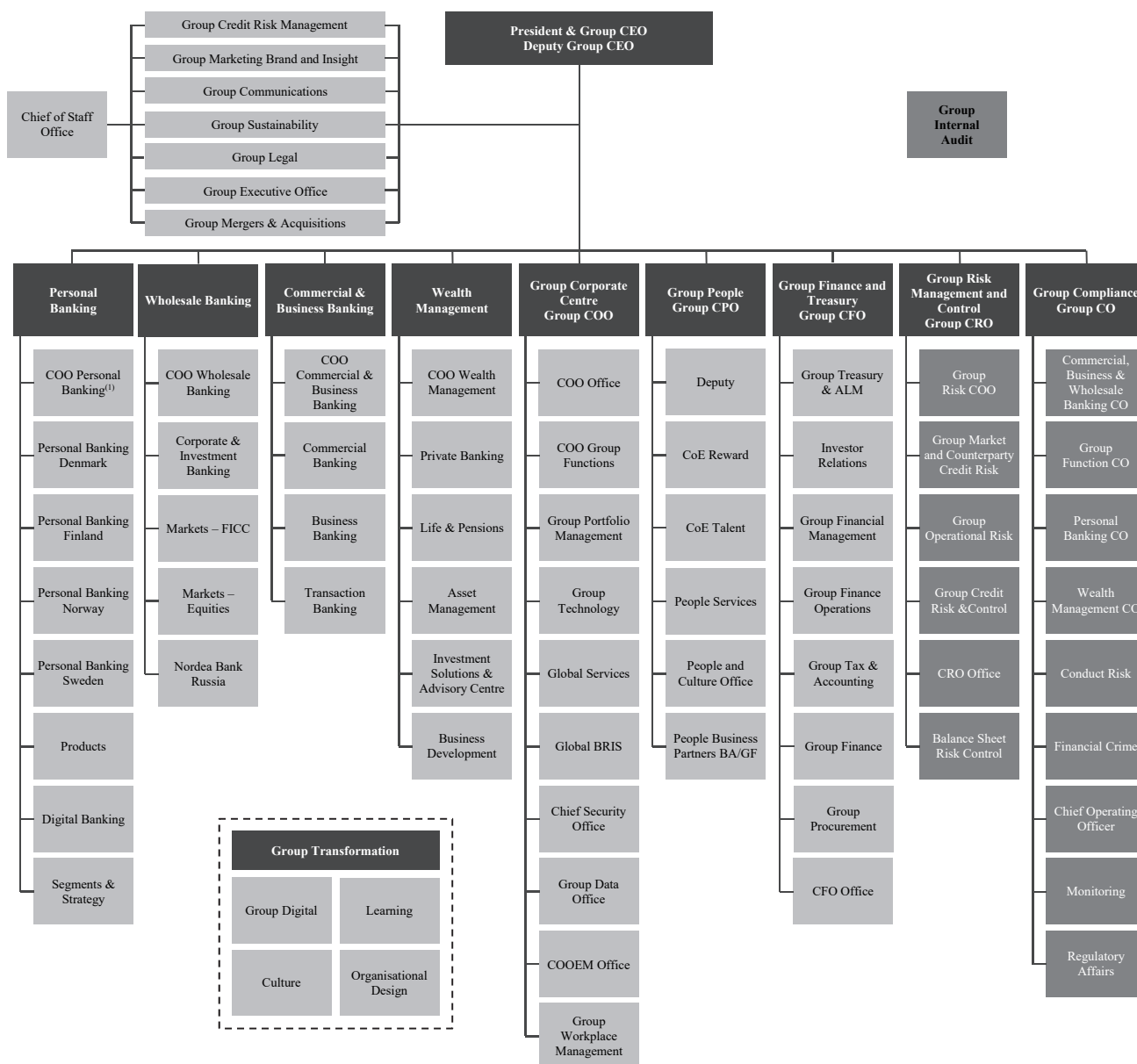
Group People is responsible for Group-wide strategic partnering, support and service in all human resources ("HR") matters and includes the units HR in Denmark, Finland, Norway and Sweden, Staffing, HR Core, Compensation & Benefit, Leadership, Performance Management and Talent Management.

Chief of Staff Office is a common organisation for centralised Group-wide functions delivering key and strategic services across the Nordea Group. Chief of Staff Office provides services related to legal advice, marketing and communication, facility management and executive management support. Chief of Staff Office includes the units Group Communications, Group Executive Office, Group Legal, Group Marketing, Brand and Insight, Group Sustainability, Group Merger & Acquisitions and Group Credit Risk Management ("GCRM").

Business Areas

At the core of the Nordea Group's strategy is segmentation of customers and differentiating both value proposition and resource allocation according to customer needs. The Nordea Group's customer activities are organised around two major customer groups: household customers and corporate customers. With both its household customers and corporate customers, the Nordea Group seeks to build long-term banking relationships and to become a lifetime financial partner by gaining an understanding of the customers' specific product and service needs and by offering products and advice tailored to meet those requirements. To serve its household customers and corporate customers, the Nordea Group has divided its operations into four main business areas, Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management. The business areas each comprise a number of business units which operate as separate profit units.

The following chart sets forth the Nordea Group’s organisation as of the date of this Prospectus:



(1) Dual reporting line to Head of Group COO.

Personal Banking

Of the Nordea Group’s business areas, Personal Banking serves the Nordea Group’s household customers. The business area includes advisory and service staff, channels and product units under a common strategy, operating model and governance across markets. Personal Banking includes the units Personal Banking Denmark, Personal Banking Finland, Personal Banking Norway, Personal Banking Sweden and Digital Banking, Products, Strategy & development, and COO Personal Banking.

Within Personal Banking, the Nordea Group operates through a multitude of channels in the household customer segment to ensure that household customers can access the bank when and how it suits them. To cater for the changing customer needs and preferences, the Nordea Group is continuously strengthening its online offerings. The Nordea Group’s goal is to build broad and deep relationships with its customers online. The ambition is to create online solutions for those personal customers who want a full-service solution. In addition, the Nordea Group is working to simplify and digitise the key processes and products. Through the Nordea Group’s common customer relationship system, the multitude of channels is integrated so that customer interaction in one channel is simultaneously recorded in all other channels. The Nordea Group segments its customers to provide the best service, advice and product solutions to customers, thereby aiming to ensure loyalty, brand value and increasing business and income.

Commercial & Business Banking

Commercial & Business Banking serves large corporate customers (Commercial Banking) and small and medium-sized corporate customers (Business Banking), and includes the units Commercial Banking, Business Banking, Transaction Banking, COO Commercial & Business Banking, People and Core functions.

In the Nordic markets, Commercial & Business Banking divides its corporate customers further into three cross-country corporate segments based on their business potential and the complexity of their banking needs. The three segments are Commercial Banking, Business Banking and Business Banking Direct, and the Nordea Group has developed a distinct value proposition, including contact policy, service level and product solutions, for each segment to provide comprehensive offerings and ensure “house bank” relationships.

Nordea expects during the second quarter of 2018 to merge the divisions Commercial Banking and Business Banking into one customer responsible division, Nordea Business Banking. After this change, the Commercial & Business Banking business area will serve small and mid- to large corporate customers within one customer responsible division, Business Banking, which comprises four Business Banking units in each of the four main markets serving mid- to large corporate customers, a Nordic Real Estate organisation, a Business Banking Direct unit serving small corporate customers and a Strategy & Proposition unit; the product responsible business division Transaction Banking, which will provide transaction banking services to both personal and corporate customers across the Nordea Group; Nordea Finance, which will provide a range of finance services; COO Commercial & Business Banking; Balance Sheet Management; People and Core functions.

Wholesale Banking

Wholesale Banking provides financial solutions to large Nordic and international corporate and institutional customers. The offering includes a diverse range of financing, investment banking and capital markets products and securities services. The mission of the Wholesale Banking business area is to provide strong relationship and product offerings to the largest Nordic corporate and institutional customers of the Nordea Group. Nordea Bank Russia is also part of Wholesale Banking. The Wholesale Banking business area aims to ensure integration of the value chain from customer units through product, support and IT units.

Nordea believes that its strategy for the largest corporate customers has proven robust during the ongoing transformation of the banking industry. Nordea further believes that the Nordea Group’s local sales organisations combined with a global production platform enable it to capitalise on the benefits of relationship banking and economies of scale. The relationship strategy provides the Nordea Group with a deep knowledge of its customers and their industries, which allows Wholesale Banking to strengthen its customer offerings.

The Wholesale Banking business area includes the business units Corporate & Investment Banking, Nordea Bank Russia, FICC, Equities and Core functions, including COO Wholesale Banking.

Corporate & Investment Banking

Corporate & Investment Banking is a customer-responsible organisation serving the largest corporate and institutional customers. Corporate & Investment Banking consist of four individual divisions, covering each of the Nordic countries (C&IB Denmark, C&IB Finland, C&IB Norway and C&IB Sweden), and International Division (five branches located in Frankfurt, London, New York, Shanghai and Singapore and two representative offices located in Sao Paulo and Beijing). In addition, C&IB includes the units Advisory, Debt Capital markets, Financial Institutions Group and Shipping, Offshore & Oil Services. The C&IB divisions serve corporate and institutional customers with a strong customer centric focus through the Nordea Group’s Wholesale Banking Customer Service Model.

In the Wholesale Banking Customer Service Model, the customer units and product units have joint ownership and responsibility for maintaining and developing profitable customer relationships. The customer-responsible unit has the overall responsibility for the customer relationship, including customer profitability and credit risk. Product units are responsible for the sales, delivery, profitability and inherent (operational) risks of their products. Corporate and institutional customers are offered tailored solutions and the full range of financial services by the Nordea Group, such as loans, deposits, cash management services, project finance, export and trade finance, corporate finance and capital markets products. In addition to Nordic corporate and institutional customers, Corporate & Investment Banking is also responsible for the corporate part of the Nordea Group’s international business.

Nordea Bank Russia

Nordea Bank Russia offers bank services to corporate customers. Corporate customers of Nordea Bank Russia include leading Russian, Nordic and international companies operating in Russia. Nordea Bank Russia offers account and cash services, cash management, lending, trade and project finance, leasing and factoring, deposit taking and bank card services. In 2015, the strategy for the Russian operations was sharpened with focus on the largest Russian corporates and

Nordic international companies. New mortgage lending was ceased and operations were streamlined accordingly. In addition, a more selective approach for all new businesses was applied. Due to the challenging geopolitical and economic environment, and in line with the Nordea Group's strategy to reduce its risks and exposure in Russia and focus on corporate banking services only, the Nordea Group made a decision in 2016 to sell its existing portfolio of mortgage and consumer loans in Russia (see also "*Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale*"). As of the date of this Prospectus, the strategy of the Nordea Group's Russian operations is to focus on large Nordic corporate customers active in Russia. A dominant portion of Nordea Bank Russia's business is conducted from the offices in Moscow and St. Petersburg, where the majority of the employees is located.

Markets – Equities and FICC

The Nordea Group runs what it believes is the leading capital markets and investment banking operation in the Nordic region. Capital Markets is responsible for handling trading, research and sales within areas such as foreign exchange, fixed income, equities, structured products, debt capital markets and corporate finance, offering its products to all Nordea Group's customer segments.

Capital Markets is a customer driven franchise where the trading activities are driven by the management of the risk inherent in customer transactions, with no proprietary trading. Capital Markets consist of three main divisions: FICC, Investment Banking and Equities located primarily in the Nordic capitals. Markets FICC offers risk management products but also intermediation of credit and capital through, among other things, repurchase agreements and securities lending.

Wealth Management

Wealth Management provides high quality investment, savings and risk management solutions, manages the Nordea Group's customers' assets and advises affluent and high-net-worth individuals as well as institutional investors on their financial situation. The vision of Wealth Management is to become the leading wealth manager in the Nordic region, with global reach and global capabilities. Wealth Management strives to form strong client relationships, based on high quality of advice and solutions, delivered efficiently through an integrated value chain. The Wealth Management business area consists of three primary areas, Private Banking, Asset Management and Life & Pensions.

Private Banking advises wealthier customers of the Nordea Group on all aspects of their financial situation. The Nordea Group operates its Private Banking business through an integrated model with Personal Banking. In addition to its Nordic Private Banking operations, the Nordea Group engages in international Private Banking operations that are targeted to both customers of a Nordic origin domiciled outside the Nordic region and international customers of non-Nordic origin.

Asset Management is responsible for investment management and investment funds within the Nordea Group and also for serving institutional clients and third-party distributors with investment products. The products are delivered to both household customers and corporate customers, including institutional clients. The product range comprises investment funds and discretionary mandates within all asset classes but with the majority within actively managed equity, fixed income and balanced products.

Life & Pensions is an insurance group and a leading provider of life insurance, pension products and services in eight countries in Europe. Life & Pensions serves both the individual and corporate segments with traditional as well as unit-linked products. The customers are served through banking branches, Life & Pensions' own sales force or via tied agents, brokers and to a small extent other financial institutions. The operations are conducted through legal entities, most of which are wholly owned by Nordea Life Holding AB. In Denmark, Nordea Life Holding AB owns 75 per cent of the share capital of Nordea Liv & Pension Livsforsikringsselskab A/S, with the remaining 25 per cent owned by Foreningen Norliv, which represents the customers of Nordea Liv & Pension. On 21 December 2017, Nordea announced that Foreningen Norliv will purchase an additional 45 per cent of the share capital of Nordea Liv & Pension Livsforsikringsselskab A/S. The purchase will increase Foreningen Norliv's ownership in the company to 70 per cent. The transaction is subject to approvals by the DFSA and antitrust authorities and is expected to be completed during the first quarter of 2018.

Wealth Management additionally consists of the units Investment Solutions & Advisory Centre, which is responsible for the savings product offering to the Nordea Group's retail and private banking customers, COO Wealth Management, which is responsible for operational processes including IT and processing for regulatory requirements, and Business Development, which is responsible for strategy, project management, communications and business architecture.

Group Corporate Centre, Group Finance & Business Control, Group Risk Management and Group Compliance

Within the Nordea Group, four units, namely, Group Corporate Centre, Group Finance & Treasury, Group Risk Management and Control and Group Compliance, are primarily responsible for risk, capital, liquidity and balance sheet management.

Group Corporate Centre

Group Corporate Centre is a Group function providing strategic and financial frameworks and processes as well as professional services and advice within their area of expertise. Group Corporate Centre aims to ensure that the Nordea Group operates with an adequate strategy and portfolio composition.

Group Finance & Treasury

Group Finance & Treasury provides financial reporting frameworks for the Group. Group Finance & Treasury includes Group Financial Management, Group Financial Control & Operations, Group Accounting & Tax, Group Finance, Group Procurement, Group Treasury & ALM and Investor Relations.

Group Risk Management and Control

Group Risk Management and Control manages and monitors all aspects of risk, including credit, market or operational risk. Group Risk Management and Control develops risk models, credit policies, credit processes and IT tools that support business areas and other business units within the Nordea Group together with efficient processes and prudent risk management. See also “*Risk Management—Management Principles and Control*”.

Group Compliance

Group Compliance is the Nordea Group’s independent compliance function. It has the responsibility to maintain oversight of compliance risk management across the entire Group. The function is responsible for identifying compliance risks and performing monitoring and control to ensure that the risks are managed by the relevant functions. Group Compliance helps the Nordea Group be a good corporate citizen by ensuring compliance risks are addressed as a natural part of the business. Group Compliance includes the units supporting each business area and Group function, units targeted at specific risk areas such as Financial Crime and Conduct Risk as well as shared functions such as a Chief Operating Officer unit, a Monitoring unit and a Regulatory Affairs unit.

Competition

The Nordea Group operates in highly competitive markets with a high level of national and international consolidation. The Nordea Group’s principal competitors include: Danske Bank in Denmark; the OP Financial Group in Finland; DNB in Norway; and SEB, Svenska Handelsbanken and Swedbank in Sweden. Currently, specific areas of competition are, among others, deposit and savings products, cards, payment solutions and lending and risk management products. For lending margins, both in corporate lending as well as mortgage finance, the competition has been fierce. See also “*Risk Factors—Risks Relating to the Nordea Group’s Operations—Other Risks Relating to the Nordea Group’s Operations—The Nordea Group faces competition in all markets*”.

Information Technology

In order to strengthen its IT governance, the Nordea Group has organised its IT business application maintenance and development into business IT areas that report to the COO function within each business area and Group function. This structure aims to ensure close alignment between the relevant business line and the supporting IT application area and that business prioritisation sets direction for IT. Each business IT area and the digital domain are accountable for the full IT value chain towards business with respect to the IT services. This entails full responsibility for application life-cycle management (except for responsibilities within Group Technology and in the Group Data Management Office) and change portfolio management within the business area and Group function both in the best interest of the Nordea Group as well as in compliance with applicable laws, regulation and internal policies (*i.e.*, the first line of defence).

Business IT areas are located in business areas and Group functions as follows: Personal Banking and Commercial & Business Banking are supported by Banking Technology and Digital Banking Engineering; Wholesale Banking and Wealth Management are supported by Trading Technology; Group Corporate Centre, Group People, Group Finance and Treasury, Group Risk Management and Control, Group Credit Risk Management, Group Compliance, Group Internal Audit as well as Chief of Staff Office and Group Internal Audit are supported by Banking Technology; and Treasury & Asset Liability Management that is supported by Trading Technology.

Group Technology is a unit within Group Corporate Centre and holds two main roles: an IT governance role ranging across all of IT, providing internal IT policies and standards in such areas as IT strategy, IT solution and technical architecture, IT methods and IT sourcing, and as an IT Service Provider role securing common IT infrastructure and operations services to the Nordea Group. Additionally, Group Technology provides application maintenance for specifically designated applications. The Head of Group Technology also serves as the Group Chief Information Officer (“**CIO**”).

Group Data Management Office was established in June 2017 within Group Corporate Centre with the aim to strengthen the value and use of data related activities across the whole group. Group Data Management Office has two IT units: Common Platforms and Data Systems, Governance & Architecture.

The Group CIO chairs the IT Executive Management (“ITEM”) together with the COO for Personal Banking. The heads of business IT areas and Digital Banking Engineering as well as representatives of Group Data Management Office are members of the ITEM and report in a dual structure: to the COO function within the business areas and Group functions in respect of their deliveries, and to the Group CIO in respect of how the IT services are delivered in compliance with IT strategies, methods, policies and standards. In addition, the deputy heads of Banking Technology and of Trading Technology as well as the heads of Technology Operations & Support within Group Technology are members of the ITEM.

The resources of Group Technology, business IT areas, Digital Banking Engineering and Group Data Management Office are located in all Nordic countries as well as in Poland. Selected maintenance and development tasks are sourced to India based on frame agreements with carefully chosen providers. The Nordea Group’s overall IT strategy is centred on increasing value delivered while lowering IT costs and minimising risks. A series of joint initiatives are being carried out to ensure that the Nordea Group can continue to increase IT operational stability and reduce IT complexity while, at the same time, it can increase maturity levels and quality in key IT lifecycle processes. Significant investments have been made in recent years in IT resiliency and IT compliance, and investments will continue within this area.

The Nordea Group started implementing new banking platforms in 2015 with the investments in new platforms resulting in an increase in the average annual IT investments of approximately 30 per cent to 35 per cent over the period between 2015 and 2018. The first deliveries have been made in the payments area, continuing to the core banking platform, which had its first active product introduced in June 2016. Group Technology’s focus will be to continue the efforts towards increasing the service availability, strengthening information security, compliance and risk management, ensuring efficiency in the delivery of IT services, as well as delivering infrastructural solutions for the new core banking platform.

In 2016, the Nordea Group completed the insourcing of services from Nordic Processor AB (Nordic Processor) to which the Nordea Group had previously outsourced a major part of its IT production (operation of platforms, consolidation of processes and services and transformation). Following this insourcing, the Nordea Group is fully in charge of its IT infrastructure. The Nordea Group continues to outsource certain basic operations of mainframe to IBM and certain basic operations of tandem / nonstop to Hewlett-Packard Oy (“HP”). The outsourcing agreements with IBM and HP have an expected duration of six years from 1 January 2015.

See also “*Risk Factors—Risks Relating to the Nordea Group’s Operations—Other Risks Relating to the Nordea Group’s Operations—Operational risks, including risks in connection with investment advice, may affect the Nordea Group’s business*”.

Employees

As of 31 December 2017, the Nordea Group had 30,399 employees, calculated on a full-time equivalent basis. The following table sets forth the number of full-time equivalent employees by area as of the dates indicated:

	As of 31 December		
	2015	2016	2017
Personal Banking.....	13,197	11,480	11,093
Commercial & Business Banking	5,944	5,651	5,282
Wholesale Banking.....	3,898	4,059	3,727
Wealth Management.....	2,697	3,640	3,690
Group Functions and Other	4,089	6,766	6,607
Total number of employees (FTE).....	29,826	31,596	30,399

The following table sets forth the average number of full-time equivalent employees by country for the periods indicated and the total period-end number of full-time equivalent employees as of the dates indicated:

	For the year ended and as of 31 December		
	2015	2016	2017
Denmark	8,288	8,717	9,136
Sweden	6,957	7,276	7,462
Finland	6,946	7,104	7,032
Norway	3,137	3,140	3,127
Poland	1,197	1,571	2,060
Russia	1,085	829	606
Estonia	480	559	502
Latvia	436	457	364
Luxembourg	393	426	451
Lithuania	360	378	305
United States	110	120	123
Singapore	86	85	81
United Kingdom	82	77	68
Germany	58	55	43
China	29	30	31
Switzerland	32	29	22
Italy	n.a.	7	9
Spain	n.a.	5	7
Brazil	5	5	5
France	n.a.	3	3
Total average	<u>29,681</u>	<u>30,873</u>	<u>31,437</u>
Total number of employees (FTEs), end of period	29,826	31,596	30,399

Note: The information for the year ended and as of 31 December 2016 in the table above has been restated due to a change in presentation in Nordea's audited consolidated financial statements for the year ended and as of 31 December 2017. The information for the year ended and as of 31 December 2015 has not been restated and, therefore, is not fully comparable to the information for the year ended and as of 31 December 2017 and 2016.

In October 2017, Nordea announced that, in order to attain efficiency gains and with the goal of ensuring long-term competitiveness, it plans to reduce the number of employees and consultants at the Nordea Group with at least 6,000, of which approximately 2,000 are expected to be consultants.

In Sweden, collective bargaining agreements are made periodically between the Swedish Bank Employees' Union and the Employers' Association of the Swedish Banking Institutions of which Nordea is a member. In Finland, collective bargaining agreements are made periodically between the Trade Union Pro, Trade Union Nousu, Federation of Professional and Managerial Staff (YTN) and the Finance Finland (FFI) of which Nordea is a member. In Denmark and Norway, collective bargaining agreements are also periodically entered into by the relevant local employee and employer organisations. The Nordea Group has a staff education budget, which in recent years was increasingly focused on training programmes designed to improve skills in credit assessment and management training. Management believes that the Nordea Group's relationship with its employees and the unions representing such employees is good.

Insurance

The Nordea Group maintains insurance coverage under various liability and property insurance policies that it deems to be appropriate. The Nordea Group's insurance policies include a bankers comprehensive crime and professional indemnity policy, which has, among other things, bankers blanket bond and electronic and computer crime coverage. In addition, the Nordea Group has an insurance policy to cover liability of its directors, officers and other key members of management.

In the view of the Nordea Group, the existing insurance coverage, including the level and conditions of coverage, provides reasonable protection, taking into account the costs for the insurance coverage and the potential risks of business operations. However, the Nordea Group can provide no assurances that losses will not be incurred or that claims will not be filed against it which go beyond the type and scope of the existing insurance coverage.

Real Property

The Nordea Group does not own any material real property. The Nordea Group's main offices in Helsinki, Stockholm, Copenhagen and Oslo are situated in leased properties, primarily located in the central business districts. The lease agreements are subject to long lease terms and are, save for the lease agreement regarding the main offices in Copenhagen, the subject of sale and leaseback transactions.

Intellectual Property Rights

The Nordea Group holds intellectual property rights in the form of, among other rights, trademarks. The Nordea Group is of the view that the trademarks "Nordea" and "First Card" (word and figurative marks), "Nordea Bank" and "Nordea Group" (word marks) and "Pulse" (figurative mark) are of material significance for the Nordea Group's operations. These trademarks are registered as EU and/or national trademarks and, among others, "Nordea" (word and figurative

marks) is also subject to international registration under the Madrid Protocol, designating several countries, among others, Norway, Russia, Singapore and China.

Legal and Administrative Proceedings

As a result of conducting its business in the ordinary course, the Nordea Group is a party to legal and administrative proceedings, including proceedings in which it is acting as plaintiff seeking to recover unpaid debts owed by defaulting borrowers and other customers, or as respondent in other cases. The Nordea Group is involved in a variety of claims, disputes, legal proceedings and governmental investigations in jurisdictions where it is active. The Nordea Group is also subject to administrative claims and tax proceedings. These types of claims, disputes, legal proceedings and investigations expose the Nordea Group to monetary damages, direct or indirect costs (including legal costs) direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, criticism or penalties by supervisory authorities, as well as the potential for regulatory restrictions on its businesses. See also “*Risk Factors—Risks Relating to the Nordea Group’s Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—Legal and regulatory claims arise in the conduct of the Nordea Group’s business*” and “*Risk Management—Compliance Risk*”. As of the date of this Prospectus, none of the governmental, administrative, legal or arbitration proceedings to which the Nordea Group is party (including any such proceedings which are pending or threatened of which the board of directors of Nordea Sweden or Nordea Finland is aware) are considered likely to have, or have had in the previous 12 months, any significant adverse effect on the Nordea Group or its financial position.

OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion is based on and should be read in conjunction with the Nordea Group's audited consolidated financial statements for the year ended and as of 31 December 2017, together with the comparative figures for the year ended and as of 31 December 2016, and the Nordea Group's audited consolidated financial statements for the year ended and as of 31 December 2016, together with the comparative figures for the year ended and as of 31 December 2015, and the Nordea Group's audited consolidated financial statements for the year ended and as of 31 December 2015, as well as the notes accompanying such consolidated financial statements incorporated by reference into this Prospectus. This section contains forward-looking statements that involve inherent risks and uncertainties. Actual results may differ materially from those contained in such forward-looking statements. See "Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements" and "Risk Factors".

Overview

The Nordea Group is the largest financial services group in the Nordic markets (Denmark, Finland, Norway and Sweden) measured by total income, with additional operations in Russia and Luxembourg, and branches in a number of other international locations. The Nordea Group is also active in Estonia, Latvia and Lithuania through Luminor, a Baltic bank owned by Nordea and DNB that comprises the Nordea Group's and DNB's customers across the three markets. Nordea believes that the Nordea Group has the largest customer base of any financial services group based in the Nordic markets with over 10 million customers across the markets in which it operates, including approximately 9.6 million household customers and approximately 0.6 million corporate and institutional customers, in each case as of 31 December 2017. As of the same date, the Nordea Group had total assets of EUR 581.6 billion and tier 1 capital of EUR 28.0 billion, and was the largest Nordic-based asset manager with EUR 330.4 billion in assets under management. The Nordea Group's total operating income for the year ended 31 December 2017 was EUR 9,469 million.

Key Factors Affecting Results of Operations

The discussion below describes certain key factors that have affected, and may continue to affect, the Nordea Group's business, results of operations and financial condition. The impact of these and other factors may vary significantly in the future.

General Economic Conditions

The Nordea Group's results of operations are affected by general economic conditions in the countries in which it operates. The Nordea Group derives the majority of its income from its operations in the Nordic countries and, to a lesser degree, Russia and the Baltic countries (as from 1 October 2017 through Nordea's ownership in Luminor). Generally, macroeconomic factors, such as GDP growth, business events and turnover, unemployment rates and inflation rates, have an impact, in particular, on the following:

- Corporate and household customers' investment and business activities, which lead to credit decisions and drive the need for external funding and, as a result, impact growth in lending volumes.
- Changes in monetary policies, in particular with respect to interest rate levels, which have an effect on the net interest margin of the Nordea Group.
- Loan losses and loan impairments, which generally, though with some delay, correlate with macroeconomic developments.
- The developments in asset prices, including prices of equity and debt securities, which impact, in particular, asset management commissions, income from the Nordea Group's life insurance business and its treasury, equity and corporate finance operations, which are, in part, driven by the performance of the underlying investments.
- Downgrades or upgrades in internal credit ratings of customers due to deterioration or improvement in their credit quality, which impact the Nordea Group's regulatory capital levels and, indirectly, the Nordea Group's ability to increase lending volumes. See "*Risk Management—Credit Risk Management—Credit Risk Mitigation—Measurement Methods*".
- Volatility in interest rates, currency rates, security and commodity prices, which, among other things, has an impact on customers' demand for risk management products.

In recent years, the financial markets have been adversely affected by recurring concerns related to sovereign budget deficits and rising direct and contingent sovereign debt in Europe, in particular in Greece, Ireland, Italy, Portugal and Spain. Despite rescue packages to certain of these countries, uncertainty over the outcome of the financial support programmes and concerns about sovereign finances continued to persist, which, together with concerns about the overall

growth, stability and sustainability of the euro area, have resulted in recurring volatility in the global credit and liquidity markets. Despite this uncertainty, the global economic outlook has generally improved in the last three years.

In 2015, the global economic environment was characterised by gradual growth, low inflation and volatile financial and commodities markets. The significant decline and volatility in oil prices affected the global markets particularly in the second half of the year. In 2015, the U.S. and U.K. economies experienced decreasing unemployment levels and positive GDP growth. The overall European economy showed positive signs with improving growth and falling unemployment. In the second half of 2015, however, concerns over emerging market growth increased, driven in part by the significant fall in commodity prices and the expected interest rate policy normalisation in the United States. In December 2015, the ECB announced that it would continue its quantitative easing programme introduced in January 2015 at least until March 2017.

The global economy experienced gradual growth in 2016, with low inflation and volatile financial and commodities markets. The decreased oil prices affected the economic development during the year. The U.S. and U.K. economies recorded decreasing unemployment rates and positive GDP growth. While still at a slower pace, the European economies overall showed positive signs with improving growth and falling unemployment. The debt and equity capital markets experienced turbulence during the year due to the uncertainty regarding the United Kingdom's decision to withdraw from the EU and the results of the U.S. presidential election. Towards the end of the year, the growth expectations in the euro area were dampened by a sluggish pace of implementation of structural reforms and remaining balance sheet adjustments in a number of sectors. In March 2016, the ECB announced that the monthly purchases under the quantitative easing programme would be increased from EUR 60 billion to EUR 80 billion. The ECB subsequently announced in December 2016 that it would extend its quantitative easing programme until December 2017, however with monthly purchases decreasing from EUR 80 billion to EUR 60 billion after March 2017.

The global economy experienced accelerated growth in 2017, with a moderate increase in inflation and low volatility in financial markets. Despite some concerning geopolitical developments, global asset prices increased strongly and financial markets volatility was extremely low in 2017. Support from central banks remained strong. The U.S. economy expanded at a robust pace and its central bank continued interest rate policy normalisation. The European economy expanded at its highest rate since 2011, supported by low interest rates, falling unemployment and strong domestic demand. Concerns about emerging market growth continued to dissipate as world trade activity increased up and commodities prices rose. In September 2017, the ECB signalled that preparations were being made to scale back on its quantitative easing programme. In October 2017, the ECB announced that it would extend its quantitative easing programme until the end of September 2018, however with monthly purchases decreasing from EUR 60 billion to EUR 30 billion starting from January 2018.

Reflecting the developments in the global and European economic environment during the past three years, the overall environment in which the Nordea Group operates has been characterised by low interest rates, challenging macroeconomic development in certain markets and, at times, volatile financial markets. However, despite the economic environment, the economies of all of the Nordic countries as well as Russia and the Baltic countries performed relatively well when compared to rest of Europe, however with regional variations. In 2015, the Swedish economy grew in excess of 3 per cent. In Denmark, the economy experienced firm growth in the beginning of 2015 but the growth slowed somewhat in the second half of 2015. Overall, Denmark continued on the gradual improving trend of recent years. The Norwegian economy grew in the first part of 2015 but was increasingly impacted by the accelerated deterioration in oil prices later in the year, which also affected the expectations with respect to economic development in Norway going forward. The Finnish economy remained more subdued in 2015, with growth rates fluctuating between positive and negative over the year. Unemployment levels remained relatively stable in the Nordic region in 2015, with Denmark and Sweden recording decreasing unemployment rates, while the unemployment rates in Finland and Norway increased somewhat reflecting the more challenging economic environment in these two countries.

In 2016, the development of the Nordic economies was characterised by divergence. In Sweden, the development continued to be strong with growth exceeding 3 per cent. In Denmark, the economy initially grew steadily but slowed somewhat in the second half of 2016. Still, the full-year development was positive, continuing the gradual improving trend. In 2016, Norway's economy initially maintained growth but was gradually adversely impacted following the deterioration in oil prices. Even though the Finnish economy grew in 2016, the economic picture in Finland remained more muted with growth rates fluctuating between positive and negative over the quarters. Unemployment levels in Denmark, Finland and Sweden decreased in 2016, while unemployment in Norway increased somewhat reflecting the more challenging economic environment.

In 2017, the Nordic economies experienced synchronised growth for the first time in many years. In Sweden, the economic picture remained strong with growth above 2.5 per cent and inflation rising to 1.8 per cent. In Denmark, the economy grew by 2 per cent, despite negative growth during the third quarter due to temporary factors. The growth in Norway also picked up, supported by the recovery in oil prices and low unemployment. In Finland, the economy expanded by more than 3 per cent driven both by strong domestic demand and higher exports. Unemployment levels in each of the Nordic countries decreased in 2017.

The Nordea Group's lending and deposit volumes decreased in 2017. The decreases were driven by decreases in corporate lending and corporate deposits. The Nordea Group's lending and deposit volumes decreased in 2016, with business-driven volumes decreasing somewhat less than overall volumes including repurchase agreements. The decreases were driven by a decrease in corporate lending. Market interest rates have reached record lows in recent years, with interest rates at negative levels in many countries, including Denmark, Sweden and the euro countries. As of the date of this Prospectus, the certificate of deposit rate of the Danish Central Bank is negative 0.65 per cent, the deposit rate of the Central Bank of Sweden ("**Riksbanken**") is negative 0.50 per cent and the bank deposit rate of the ECB is negative 0.40 per cent. Net interest margins, which vary according to prevailing interest rates and tend to be compressed in a low interest rate environment, are an important factor in determining the profitability of the Nordea Group. This low interest rate environment has placed interest margins under pressure. Reflective of these pressures, the Nordea Group's net interest margin, in each case reflecting the reclassification of state guarantee fees discussed below under "*—Results of Operations—Introduction—Reclassifications and Restatements—Refinancing Fees, Pay-out Fees and State Guarantee Fees*" below, was 0.87 per cent in 2017 compared to 0.86 in 2016 and 0.94 per cent in 2015. The Nordea Group's net loan losses decreased in 2017, which mainly reflected the decreased net loan losses related to the Nordea Group's corporate customers. In 2016, the Nordea Group's net loan losses increased, driven primarily by the increased collective provisions related to the offshore sector in particular in the second half of 2016. This increase reflected the lower than expected demand and significant oversupply in the sector. Excluding the loan losses in the offshore sector, the Nordea Group's net loan losses decreased overall in 2016 compared to 2015. See also "*Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to Macroeconomic Conditions—Negative economic developments and conditions in the markets in which the Nordea Group operates can adversely affect the Nordea Group's business and results of operations*".

Although the effects of the global financial crisis have subsided, risks related to the economic development in Europe, including Greece's and Italy's continued weak economic development and remaining a member, the slower economic growth and increased debt levels in China, the development of the U.S. economic environment following recent changes in certain policy goals of the U.S. government, the prospects of additional interest rate hikes in the United States, and any new escalation of geopolitical tensions in the Middle East, eastern Ukraine and the Korean Peninsula are likely to continue to have a negative impact on global and European economic activity and the financial markets. Concerns over the effects of the low and volatile global oil prices are also expected to continue to affect the markets. Nordea believes that the Nordea Group is in a strong position to operate in this environment but, at the same time, expects that the low-growth, low-interest-rate macroeconomic environment, together with continued implementation of new regulations, including those related to capital and liquidity requirements, will continue to be a challenge to financial institutions like the Nordea Group during the coming years. See also "*Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to Macroeconomic Conditions—Disruptions and volatility in the global financial markets may adversely impact the Nordea Group*".

Currency Fluctuations

The Nordea Group prepares its consolidated financial statements in euro, but the functional currencies for its Swedish, Danish and Norwegian banking businesses are Swedish krona, Danish krone and Norwegian krone, respectively. Similarly, most of Nordea's subsidiaries prepare their financial statements in the local currency. When preparing its consolidated balance sheet, the Nordea Group translates all non-euro denominated assets and liabilities into euro at the exchange rates prevailing in the market on the relevant balance sheet date. For the purposes of the consolidated income statement, the Nordea Group translates its non-euro income and expense items into euro at average exchange rates which prevailed during the relevant accounting period. The Nordea Group shows translation differences for its consolidated subsidiaries through booking such differences into equity. The Nordea Group is also exposed to fluctuations between the U.S. dollar and the euro, primarily arising from the Nordea Group's lending to its Shipping, Offshore & Oil Services customers, as well as customers in Russia. This exposure has to date had a limited impact on the Nordea Group's results of operations as, similar to its other currency exposures, the Nordea Group has sought to hedge this exposure through matched funding. The effect from currency fluctuations increased the Nordea Group's expenses by 1 percentage point and had no effect on income in 2017. Currency fluctuations reduced the Nordea Group's income and expenses by 1 percentage point in 2016 and by 2 percentage points in 2015. The Nordea Group is also subject to foreign exchange risk in connection with its non-euro denominated funding arrangements. See also "*—Balance Sheet Information—Nordea Group*" below for information on the effect on currency fluctuations on the Nordea Group's assets and liabilities, "*Risk Management—Market Risk—Market Risk Analysis*" and "*Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to Market Exposure—The Nordea Group is exposed to structural market risk—Structural Interest Rate Risk*".

Regulatory Environment

The Nordea Group operates in a highly regulated industry. As a result, the Nordea Group has been, and continues to be, substantially affected by government regulations in the Nordic countries and Russia. The Nordea Group is subject to supervision by the SFSA and Swedish regulations regarding, among other things, solvency and capital adequacy requirements, including solvency ratios and liquidity rules. Many of the Nordea Group's operations are also subject to the

supervision of other local supervisory authorities. The Nordea Group is also subject to EU regulations with direct applicability and EU directives that are implemented through local laws. Upon the completion of the proposed Merger, the supervision of the Nordea Group is expected to be under the direct supervision of the ECB and subject to Finnish regulations.

In recent years, the capital adequacy framework applicable to the Nordea Group has been in the process of being reformed to reflect the Basel III framework, including the higher capital requirements set forth in CRD IV that was adopted in June 2013. Further, Swedish authorities have set even higher capital requirements for Swedish systemically important banks, including the Nordea Group, which standards have been applicable from 1 January 2015. Most recently, the Swedish Government in February 2017 presented a proposal to amend the Swedish resolution fee regulations by raising the annual fee banks pay into Sweden's resolution reserve from the current 0.09 per cent to 0.125 per cent starting in 2018. While Nordea Finland would not be subject to the increased Swedish resolution fees after the completion of the Merger and re-domiciliation to Finland, Nordea Sweden would be required to make Swedish resolution fee payments reflecting the increased rates for the time Nordea remains domiciled in Sweden. The resolution and deposit guarantee fees payable for 2018 are expected to increase by approximately EUR 60–130 million compared to 2017. For 2019, these fees are expected to range from EUR 10 million lower to EUR 60 million higher compared to 2017. Nordea expects the net present value of the total savings related to resolution fees, deposit guarantees and other transitional effects due to the re-domiciliation to Finland to be approximately EUR 0.9–1.2 billion. Of the net present value of the total savings, EUR 0–90 million is expected to be realised between 2017 and 2019 and EUR 900–1,070 million after 2019. The final resolution and deposit guarantee fee and other amounts depend, among other things, on the exact timing of the re-domiciliation and the Merger. See also *“Merger of Nordea Sweden into Nordea Finland—Overview of the Merger—Effect of Re-domiciliation on Resolution and Deposit Guarantee Fees and Certain Other Costs”* and *“Risk Factors—Risks Relating to the Merger—Nordea may not be able to realise the savings it expects to generate through the re-domiciliation and Merger”*.

Compliance with capital regulations will require additional capital buffers and costs, which in turn could affect the Nordea Group's results of operations and financial position. For example, following the completion of the re-domiciliation and Merger, Nordea expects that the MDA restriction point is expected to move upwards as a consequence of the Merger as part of the current pillar 2 add-ons are expected to become a formally decided pillar 2 requirement. The new capital adequacy requirements may also impact existing business models. See also *“Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—The Nordea Group is subject to extensive regulation that is subject to change”* and *“—The Nordea Group may incur substantial costs in monitoring and complying with new capital adequacy and recovery and resolution framework requirements”* as well as *“—Financial Targets, Capital Policy and Dividend Policy”* below and *“Supervision and Regulation”*. Further, the new requirements related to TLAC and MREL, once implemented, could require the Nordea Group to issue additional MREL and TLAC eligible liabilities in order to meet the new requirements within the required timeframes and to hold additional funds and/or eligible liabilities in order to satisfy the MREL and/or TLAC requirements set for the Nordea Group, which, in turn, may affect the Nordea Group's capital structure. See also *“Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—Recent regulatory actions may affect the Nordea Group's funding needs and capital position”*.

Efficiency Initiatives and Transformation Programs

To mitigate the higher costs for banking in the changed regulatory framework and to address the current low-growth environment, the Nordea Group has introduced efficiency initiatives aimed at both cost efficiency and asset and capital efficiency. For example, in 2015, the Nordea Group introduced a transformational change agenda for the years 2016 to 2018. In connection with the implementation of this agenda, the Nordea Group initiated certain key activities to manage the transition efficiently, which led to a restructuring charge of EUR 263 million in the fourth quarter of 2015 related to staff, premises and selected international units. The restructuring charge also covered current activities to decrease the number of head office locations and to relocate head office premises outside of central business districts. These activities were carried out during 2016 and 2017. As substantial investments have been carried out in 2017 and will also be carried out in 2018, net cost reductions are expected to begin to materialise from 2019. In 2015, Nordea also announced the financial targets for the Nordea Group for the years 2016 to 2018, including the target of less than 1 per cent average annual cost increase during that period. In October 2017, Nordea announced financial targets towards 2021 relating to costs, capital and return on equity, see *“—Financial Targets, Capital Policy and Dividend Policy”* below. In connection with this, Nordea also announced that, in order to attain efficiency gains and with the goal of ensuring long-term competitiveness, it plans to reduce the number of employees and consultants at the Nordea Group with at least 6,000, of which approximately 2,000 are expected to be consultants. The Nordea Group recorded a transformation cost of EUR 146 million in the fourth quarter of 2017 related to these measures. During the period from 2018 to 2021, Nordea will have transformation costs that will be reported as running costs. See also *“—Financial Targets, Capital Policy and Dividend Policy”* below and *“Description of the Nordea Group—Strategy—Main Strategic Priorities—Digitalisation and Distribution Transformation”*.

The Nordea Group's asset and capital efficiency initiatives aim at taking actions to maintain strict control over risk exposure amount (REA) despite income growth. These initiatives include reviews of credit risk processes for further improving capital management focus and risk exposure amount (REA) compliance. See "*Risk Management—Credit Risk Management—Credit Risk Mitigation—Measurement Methods*".

Financial Targets, Capital Policy and Dividend Policy

The Nordea Group has set the following financial targets towards 2021:

- Costs: (i) a total cost base, including transformation costs, of approximately EUR 4.9 billion in 2018, and (ii) a total cost base, including transformation costs, of less than EUR 4.8 billion in 2021;
- Capital: continued significant common equity tier 1 (CET1) capital accumulation while delivering on the dividend policy of achieving a yearly increase in the dividend per share; and
- Return on equity: continued improvement of the return on equity and a targeted return on equity that is above the weighted Nordic peer average. This return on equity target is based on return on equity, excluding items affecting comparability.

The Nordea Group's capital policy is to maintain a management buffer of 50–150 basis points above the regulatory common equity tier 1 (CET1) capital ratio requirement. The Nordea Group has initiated a dialogue with the ECB for the purpose of concluding on the detailed regulatory capital requirements that will be applied after the Merger. As of the date of this Prospectus, the Nordea Group has not received confirmation on these requirements. Following the completion of the Merger, the Nordea Group is committed to maintaining a strong capital position and has a continued focus on maintaining its current business model and AA rating.

According to Nordea Sweden's dividend policy, Nordea Sweden strives to maintain a strong capital position in line with its capital policy with an ambition to achieve a yearly increase in the dividend per share. The current intention is to maintain this policy for the parent company of the Nordea Group irrespective of the proposed re-domiciliation and Merger.

See also "*Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements*".

Recent Events

Nordea Liv & Pension

On 21 December 2017, Nordea announced that Foreningen Norliv will purchase an additional 45 per cent of the share capital of Nordea Liv & Pension Livsforsikringsselskab A/S in Denmark for EUR 472 million. The purchase will increase Foreningen Norliv's ownership in the company to 70 per cent. In connection with the transaction, it was also agreed that Nordea Liv & Pension Livsforsikringsselskab A/S will purchase the remaining 30 per cent stake from Nordea Life Holding AB during the coming years. Going forward, Nordea and Nordea Liv & Pension Livsforsikringsselskab A/S will continue their collaboration and partnership. Due to the transaction and the new ownership, Nordea Liv & Pension Livsforsikringsselskab A/S will be renamed during 2018. The transaction in Denmark will have no impact on the Nordea Life & Pensions companies in Sweden, Finland and Norway.

The transaction, which is subject to approvals by the DFSA and antitrust authorities and is expected to be completed during the first quarter of 2018, will generate a post-tax capital gain of EUR 172 million. Nordea's remaining holding of 30 per cent in the associated company will be remeasured to fair value and is expected to lead to an additional post-tax gain of EUR 115 million for the Nordea Group. The solvency ratio of Nordea Liv & Pension Group is expected to increase by approximately 20–25 percentage points.

Collection Portfolio in Denmark

In December 2017, Nordea signed an agreement to divest a portfolio of non-performing loans in Denmark. The portfolio consists of approximately 40,000 claims, the principal value of which amounts to approximately EUR 500 million. The transaction is expected to generate a capital gain of approximately EUR 50 million. Should the loans not fulfil contractual terms, the buyers of the loans will be compensated by Nordea. The financial effects of the transaction are expected to be accounted for in the income statement in 2018 as the loan documentation is transferred to the buyers.

Sale of Private Banking Business in Luxembourg

On 25 January 2018, Nordea announced that it had entered into an agreement with UBS Europe SE ("**UBS**") regarding the acquisition by UBS of part of Nordea's Luxembourg-based private banking business and its integration onto UBS's advisory platform. The decision follows a thorough strategic review of the Nordea Group's private banking activities, which led to the decision to concentrate these activities in the Nordic region.

The details of the transaction and its completion, which is currently planned for the second half of 2018, remain subject to applicable regulatory approvals and a number of other conditions. The transaction is expected to have a marginal positive impact on the common equity tier 1 (CET1) capital of Nordea. Assets under management for the divested private banking business as of 31 December 2017 amounted to EUR 13 billion. Nordea Asset Management will continue its business activities in Luxembourg following the completion of the transaction.

Results of Operations

Introduction

Business Area and Segment Information

As part of its ongoing financial reporting, in addition to operating segment reporting, the Nordea Group reports its results on a business area basis. The main difference between the Nordea Group's operating segment reporting and business area reporting is that operating segment reporting applies allocation principles that are different from those used in business area reporting. As of the date of this Prospectus, the Nordea Group has four main business areas: Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management. In addition, the Nordea Group reported the business area results of Group Corporate Centre up to the first quarter of 2017. As from the second quarter of 2017, the results of Group Corporate Centre have been reported as part of the business area reporting of Group Functions and Other.

Nordea also reports its results for its main geographical markets. The following table sets forth the total operating income of the Nordea Group by geographical area based on the location of the customers for the periods indicated:

	For the year ended 31 December		
	2015	2016	2017
		(EUR million)	
Sweden.....	2,590	2,487	2,062
Finland.....	2,091	1,855	1,963
Norway.....	1,692	1,582	1,688
Denmark.....	2,792	2,839	2,789
Baltic.....	247	336	177
Luxemburg.....	310	280	385
Russia.....	182	158	98
Other.....	236	390	307
Total.....	10,140	9,927	9,469

For more information on the results of the geographical areas of the Nordea Group, see "Note G2" to the audited consolidated financial statements of the Nordea Group for the years ended and as of 31 December 2016 and 2017 incorporated by reference into this Prospectus.

The business area information in the discussion below under "*—Results of Operations on a Business Area Basis for 2015, 2016 and 2017*" is based on the business area information for the year ended 31 December 2017, including unaudited comparative information for the year ended 31 December 2016, and for the year ended 31 December 2016, including unaudited comparative information for the year ended 31 December 2015, included in the audited statutory financial statements of the Nordea Group for the years ended 31 December 2017 and 2016, respectively. Given the changes in the Nordea Group's business area reporting structure in 2017, and as the plan rates used in the preparation of the business area information for the years ended 31 December 2016 and 2017 are different, the discussion of results of operations of the Nordea Group on a business area basis below under "*—Results of Operations on a Business Area Basis for 2015, 2016 and 2017*" is presented separately for the years ended 31 December 2016 and 2017 and for the years ended 31 December 2015 and 2016.

Reclassifications and Restatements

Refinancing Fees, Pay-out Fees and State Guarantee Fees

In order to align the Nordea Group's classification policy for loan processing fees, the Nordea Group reclassified in 2016 refinancing fees and pay-out fees received in connection with mortgage lending in Denmark from "net result from items at fair value" to "net fee and commission income". A refinancing fee is charged when an adjustable rate mortgage loan is refinanced and a pay-out fee when a loan is initially paid out. Due to this reclassification, the Nordea Group restated the comparative income statement figures for the year ended 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. In addition, in order to align with local market practice, the Nordea Group in 2016 reclassified state guarantee fees from "net fee and commission income" to "net interest income". Due to this reclassification, the Nordea Group restated the comparative income statement figures for the year ended 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. Due to the reclassifications, restated income statement

figures for the year ended 31 December 2015 are unaudited. For more information on the reclassification of financing fees, pay-out fees and state guarantee fees, see “*Note G1—Section 2 (Changed accounting policies and presentation)*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus and “*Selected Consolidated Financial and Other Data—Selected Consolidated Income Statement Data*”.

Net Fee and Commission Income

In 2016, the Nordea Group changed the presentation of net fee and commission income in its consolidated financial statements. The main change was that income and expenses were set off to better reflect the net return from different business activities. Commission expenses were split more granularly to better match the related commission income. In addition, commission income in connection with initial public offerings was reclassified from “custody and issuer services” to “brokerage, securities issues and corporate finance”, and commission expenses connected to asset management activities from “other” to “asset management”. The Nordea Group made these reclassifications to better reflect the purpose of services performed and received. Due to these reclassifications, the Nordea Group restated the comparative net fee and commission income figures for the year ended 31 December 2015 included in “*Note G4*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus. Due to the reclassifications, restated income statement figures for the year ended 31 December 2015 are unaudited. For more information on the presentation of net fee and commission income, see “*Note G1—Section 2 (Changed accounting policies and presentation)*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Pooled Schemes and Unit-linked Investment Contracts

The Nordea Group invests in interest-bearing securities and shares on behalf of customers in pension pools and unit-linked investment contracts, where the customers bear the investment risk. In 2016, the Nordea Group reclassified these investments to the separate balance sheet line “assets in pooled schemes and unit-linked investment contracts” in order to disclose them separately from assets for which the Nordea Group bears the investment risk. The corresponding liabilities to customers were reclassified to the separate balance sheet line “deposits in pooled schemes and unit-linked investment contracts” following that these liabilities behave differently than the normal deposits received from customers. Due to this reclassification, the Nordea Group restated the comparable figures as of 31 December 2015 in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The change in presentation has not had any impact on the income statement or equity. Due to the reclassifications, restated balance sheet figures as of 31 December 2015 are unaudited. For more information on the reclassification of pooled schemes and unit-linked investment contracts, see “*Note G1—Section 2 (Changed accounting policies and presentation)*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus and “*Selected Consolidated Financial and Other Data—Selected Consolidated Income Statement Data*”.

Presentation of Disposal Groups Held for Sale

Assets and liabilities held for sale consist of the Nordea Group’s Baltic operations and lending to retail customers in Russia.

On 25 August 2016, Nordea announced that Nordea and DNB, Norway’s largest financial services group as measured by total assets, had entered into an agreement to combine their operations in Estonia, Latvia and Lithuania into a new bank. The transaction was completed on 1 October 2017. The new Baltic bank, which is called Luminor, comprises the Nordea Group’s and DNB’s customers across the three markets. Nordea holds approximately 56 per cent of the economic rights, reflecting the equity value of Nordea’s contribution to the new company at the time of the closing of the transaction, and approximately 50 per cent of the voting rights of the new company. As of the time of the announcement of the transaction, Nordea classified the assets and liabilities of its Baltic operations as held for sale at book value. Nordea derecognised all assets and liabilities held for sale and recognise an investment in Luminor as from the fourth quarter of 2017 and started consolidating Luminor using the equity method, meaning that Nordea will recognise its share of the after tax result in Luminor on the income statement line “profit from associated undertakings and joint ventures accounted for under the equity method.”

Due to the challenging geopolitical and economic environment, and in line with the Nordea Group’s strategy to reduce its risks and exposure in Russia and focus on corporate banking services only, the Nordea Group made a decision in 2016 to sell its existing portfolio of mortgage and consumer loans in Russia. The carrying amount of the portfolio of EUR 228 million was classified as assets held for sale on the balance sheet as of 31 December 2016. The sales loss recognised in the first quarter 2017 in net result from items at fair value was EUR 16 million.

The assets and liabilities related to these two disposal groups are presented on the separate balance sheet lines “assets held for sale” and “liabilities held for sale”, respectively, as from the classification date. Financial instruments continue to

be measured under “IAS 39 – Financial Instruments: Recognition and Measurement”, while non-financial assets are held at the lower of carrying amount and fair value. Comparative figures as of 31 December 2015 have not been restated. For more information, see “Note G1—Section 2 (Changed accounting policies and presentation)” and “Note G42” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Results of Operations on a Consolidated Basis for 2015, 2016 and 2017

The below discussion of results of operations of the Nordea Group for the years ended 31 December 2015 and 2016 is presented on the basis of the restated comparative figures for the year ended 31 December 2015 that reflect the Nordea Group’s reclassification and related restatement in 2016 of (i) certain refinancing fees and pay-out fees from net result from items at fair value to net fee and commission income and of (ii) state guarantee fees from net fee and commission income to net interest income. The restated information for the year ended 31 December 2015 are unaudited. For more information, see “—Introduction—Reclassifications and Restatements—Refinancing Fees, Pay-out Fees and State Guarantee Fees” above. For a presentation and analysis of the components of the Nordea Group’s consolidated income statement, see “Selected Consolidated Financial and Other Data” and “Selected Statistical Data and Other Information—Analysis of Changes in Interest Income and Expense”.

Net Interest Income

Comparison between 2017 and 2016

In 2017, net interest income decreased by EUR 61 million, or 1.3 per cent, to EUR 4,666 million from EUR 4,727 million in 2016. The decrease in net interest income was driven by higher resolution fees in 2017 and lower lending volumes, mainly reflecting a decrease in the lending volumes of Wholesale Banking. Compared to 31 December 2016, total lending to the public (including repurchase agreements) decreased by EUR 7.5 billion, or 2.4 per cent, from EUR 317.7 billion to EUR 310.2 billion as of 31 December 2017, driven by a decrease of EUR 11.5 billion in corporate lending. Deposit volumes (including repurchase agreements) decreased by EUR 1.6 billion from EUR 174.0 billion as of 31 December 2016 to EUR 172.4 billion as of 31 December 2017. The consolidation using the equity method of Luminor from the fourth quarter of 2017, currency effects and 2017 having one interest day fewer than 2016 each contributed to the decrease in net interest income in 2017. The overall decrease in net interest income was partially offset by higher lending margins and, to a lesser extent, deposit margins, reflecting the gradual stabilisation of the interest rate environment. The Nordea Group’s net interest margin, which represents the total net interest income on lending and deposits in relation to total lending and deposits, was 0.87 per cent in 2017 compared to 0.86 per cent in 2016. In 2017, net interest income of Personal Banking and Commercial & Business Banking increased, while net interest income of Wholesale Banking, Wealth Management and Group Functions and Other decreased.

Comparison between 2016 and 2015

In 2016, net interest income decreased by EUR 236 million, or 4.8 per cent, to EUR 4,727 million from EUR 4,963 million in 2015. The decrease in net interest income was primarily attributable to a decrease in deposit margins and currency effects, in particular the net effect of the weaker Swedish krona and stronger Norwegian krone, partially offset by an increase in lending margins. Market rates were at record lows in 2016, with interest rates remaining at negative levels in many countries, including Denmark, Sweden and the euro countries. This low interest rate environment has placed interest margins under pressure. The Nordea Group’s net interest margin, which represents the total net interest income on lending and deposits in relation to total lending and deposits, was 0.86 per cent in 2016, compared to 0.94 per cent in 2015. Compared to 31 December 2015, total lending to the public (including repurchase agreements) decreased by EUR 23.2 billion, or 6.8 per cent, from EUR 340.9 billion to EUR 317.7 billion as of 31 December 2016, driven by a decrease of EUR 18.8 billion in corporate lending and reflecting the exclusion of the loans of the Nordea Group’s Baltic operations of EUR 8.3 billion reported as assets held for sale as of 31 December 2016. Deposit volumes (including repurchase agreements) decreased by EUR 15.0 billion, or 7.9 per cent, from EUR 189.0 billion to EUR 174.0 billion as of 31 December 2016, driven by a decrease of EUR 11.5 billion in corporate deposits. The business-driven lending and deposits volumes (excluding repurchase agreements) decreased 3.3 per cent and 5.3 per cent, respectively, in 2016. Average lending and deposit volumes in business areas in local currencies were, however, largely unchanged in 2016 compared to 2015. In 2016, net interest income of Personal Banking, Commercial & Business Banking, Wholesale Banking and Wealth Management decreased, while net interest income of Group Corporate Centre increased.

Net Fee and Commission Income

Comparison between 2017 and 2016

The following table sets forth the components of the Nordea Group's net fee and commission income for the periods indicated:

	For the year ended 31 December		
	2016 (EUR million)	Change ⁽¹⁾ (per cent)	2017 (EUR million)
Asset management commissions.....	1,369	12.7	1,543
Life & Pension.....	306	2.3	313
Deposit products.....	30	(10.0)	27
Brokerage, securities issues and corporate finance.....	226	(0.9)	224
Custody and issuer services.....	59	0.0	59
Payments.....	297	3.4	307
Cards.....	226	0.9	228
Lending products.....	531	(12.4)	465
Guarantees.....	161	(11.2)	143
Other.....	33	81.8	60
Net fee and commission income	3,238	4.0	3,369

(1) Indicates percentage change from the year ended 31 December 2016 to 31 December 2017.

In 2017, net fee and commission income increased by EUR 131 million, or 4.0 per cent, to EUR 3,369 million from EUR 3,238 million in 2016. The increase was primarily attributable to an increase of EUR 174 million, or 12.7 per cent, in asset management commissions, driven by an increase in the Nordea Group's assets under management of EUR 7.7 billion, or 2.4 per cent, to EUR 330.4 billion as of 31 December 2017 compared to assets under management of EUR 322.7 billion as of 31 December 2016. The increase primarily reflected market appreciation. An increase of EUR 27 million, or 81.8 per cent, in other fee and commission income, an increase of EUR 10 million, or 3.4 per cent, in net fee and commission income from payments and an increase of EUR 7 million, or 2.3 per cent, in net fee and commission income of Life & Pensions contributed to the overall increase in net fee and commission income. Lending related net fee and commission income decreased by EUR 66 million, or 12.4 per cent, and net fee and commission income from guarantees decreased by EUR 18 million, or 11.2 per cent, in 2017 compared to 2016.

Comparison between 2016 and 2015

The net fee and income figures for the years ended 31 December 2015 and 2016 discussed below reflect (i) the changed presentation of net fee and commission income and (ii) the reclassification and related restatement of certain refinancing fees and pay-out fees from net result from items at fair value to net fee and commission income and of state guarantee fees from net fee and commission income to net interest income discussed above under “—Introduction—Reclassifications and Restatements—Net Fee and Commission Income” and “—Refinancing Fees, Pay-out Fees and State Guarantee Fees”, respectively. The restated information for the year ended 31 December 2015 is unaudited.

The following table sets forth the components of the Nordea Group's net fee and commission income for the periods indicated:

	For the year ended 31 December		
	2015 (EUR million)	Change ⁽¹⁾ (per cent)	2016 (EUR million)
Asset management commissions.....	1,261	8.6	1,369
Life & Pension.....	299	2.3	306
Deposit products.....	31	(3.2)	30
Brokerage, securities issues and corporate finance.....	225	0.4	226
Custody and issuer services.....	55	7.3	59
Payments.....	307	(3.3)	297
Cards.....	271	(16.6)	226
Lending products.....	548	(3.1)	531
Guarantees.....	177	(9.0)	161
Other.....	56	(41.1)	33
Net fee and commission income	3,230	0.2	3,238

(1) Indicates percentage change from the year ended 31 December 2015 to 31 December 2016.

In 2016, net fee and commission income increased by EUR 8 million, or 0.2 per cent, to EUR 3,238 million from EUR 3,230 million in 2015. The increase was driven by an increase in asset management commissions, which increased by EUR 108 million, or 8.6 per cent, to EUR 1,369 million in 2016 compared to EUR 1,261 million in 2015, driven by an increase in the Nordea Group's assets under management to EUR 322.7 billion as of 31 December 2016, an increase of EUR 34.5 billion, or 12.0 per cent, compared to assets under management of EUR 288.2 billion as of 31 December 2015. The increase in assets under management was due to net inflows of EUR 19.3 billion and market appreciation of EUR 15.2 billion attributable to positive market conditions and good investment performance in 2016. The overall

increase in net fee and commission income was partially offset by a decrease of EUR 45 million, or 16.6 per cent, in net commission and fee income from cards, driven mainly by the divestment of Nordea's merchant acquiring business to Nets Holding A/S in 2015 and lower interchange fees, and a decrease of EUR 23 million, or 41.1 per cent, in other net fee and commission income. Net fee and commission income from lending products decreased by EUR 17 million, or 3.1 per cent, and net fee and commission income from guarantees decreased by EUR 16 million, or 9.0 per cent, in 2016 compared to 2015.

Net Result from Items at Fair Value

Comparison between 2017 and 2016

In 2017, net result from items at fair value decreased by EUR 387 million, or 22.6 per cent, to EUR 1,328 million from EUR 1,715 million in 2016. The decrease was primarily attributable to net result from items at fair value of Wholesale Banking, which decreased by EUR 178 million, reflecting lower net result from items at fair value of Wholesale Banking other and Shipping, Offshore & Oil Services, and a decrease in net result from items at fair value of Group Functions and Other of EUR 92 million, which reflected a gain in 2016 related to the sale by Nordea of its holding in Dansk Skibskredit. Net result from items at fair value of Wealth Management, Commercial & Business Banking and Personal Banking decreased by EUR 61 million, EUR 39 million and EUR 17 million, respectively. For additional information on Group-level net result from items at fair value, see "Note G5" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Comparison between 2016 and 2015

In 2016, net result from items at fair value increased by EUR 70 million, or 4.3 per cent, to EUR 1,715 million from EUR 1,645 million in 2015. The increase was primarily attributable to net result from items at fair value of Group Corporate Centre, which increased by EUR 136 million to EUR 229 million in 2016 compared to EUR 93 million in 2015. This increase was mainly due to the strong performance in the liquidity buffer and a gain related to the sale by Nordea of its holding in Dansk Skibskredit in the third quarter of 2016. Net result from items at fair value of Wealth Management increased by EUR 11 million, or 3.2 per cent. The overall increase in net result from items at fair value was partially offset by a decrease of EUR 29 million, or 3.5 per cent, in net result from items at fair value of Wholesale Banking, reflecting lower net result from items at fair value of Wholesale Banking and Shipping, Offshore & Oil Services, and a decrease of EUR 7 million, or 2.5 per cent, in net result from items at fair value of Commercial & Business Banking. For additional information on Group-level net result from items at fair value, see "Note G5" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Profit from Associated Undertakings and Joint Ventures Accounted for under the Equity Method

Comparison between 2017 and 2016

Profit from associated undertaking and joint ventures accounted for under the equity method was EUR 23 million in 2017, a decrease of EUR 89 million compared to EUR 112 million in the corresponding period in 2016. The decrease was primarily attributable to high profit from associated undertakings and joint ventures accounted for under the equity method in 2016, which reflected the acquisition of Visa Europe Ltd., in which Nordea was a shareholder, by Visa Inc. The acquisition was completed in the second quarter of 2016 and resulted in a gain of EUR 93 million, net of tax deducted by intermediaries, recognised under profit from associated undertakings and joint ventures accounted for under the equity method in 2016. The overall decrease was partially offset by the consolidation using the equity method of Luminor from the fourth quarter of 2017. Profit from associated undertakings and joint ventures accounted for under the equity method in 2017 included a loss of EUR 1 million related to the holding in Eksportfinans ASA ("Eksportfinans") in Norway, compared to a profit of EUR 5 million in 2016.

Comparison between 2016 and 2015

In 2016, profit from companies accounted for under the equity method increased by EUR 73 million to EUR 112 million, compared to EUR 39 million in 2015. The increase was primarily attributable to the acquisition of Visa Europe Ltd., in which Nordea was a shareholder, by Visa Inc. that was completed in the second quarter of 2016 and resulted in a gain of EUR 93 million, net of tax deducted by intermediaries, recognised under profit from companies accounted for under the equity method. Profit from companies accounted for under the equity method in 2016 included EUR 5 million related to the holding in Eksportfinans in Norway, compared to EUR 26 million in 2015.

Other Operating Income

Comparison between 2017 and 2016

In 2017, other operating income was EUR 83 million, a decrease of EUR 52 million compared to EUR 135 million in 2016. The decrease was primarily attributable to high other operating income in 2016, which reflected the acquisition of Visa Europe Ltd., in which Nordea was a shareholder, by Visa Inc. The acquisition was completed in the second quarter of 2016 and resulted in a gain of EUR 58 million, net of tax deducted by intermediaries, recognised under other operating income in 2016.

Comparison between 2016 and 2015

In 2016, other operating income decreased by EUR 128 million, or 48.7 per cent, to EUR 135 million from EUR 263 million in 2015. Other operating income in 2016 included a gain of EUR 76 million, before tax, related to the acquisition of Visa Europe Ltd. by Visa Inc., whereas other operating income in 2015 included a gain from the divestment of Nordea's merchant acquiring business to Nets Holding A/S of EUR 176 million.

Operating Expenses

Comparison between 2017 and 2016

The following table sets forth the components of the Nordea Group's operating expenses for the periods indicated:

	For the year ended 31 December		
	2016	Change ⁽¹⁾	2017
	(EUR million)	(per cent)	(EUR million)
Operating expenses			
General administrative expenses:			
Staff costs.....	(2,926)	9.8	(3,212)
Other expenses.....	(1,646)	(1.5)	(1,622)
Depreciation, amortisation and impairment charges of tangible and intangible assets.....	(228)	17.5	(268)
Total operating expenses	(4,800)	6.3	(5,102)

(1) Indicates percentage change from the year ended 31 December 2016 to 31 December 2017.

Staff Costs

In 2017, staff costs increased by EUR 286 million, or 9.8 per cent, to EUR 3,212 million, compared to EUR 2,926 million in 2016. This increase was driven by the transformation cost of EUR 134 million recognised as staff costs in the fourth quarter of 2017 and related to the Nordea Group's decision to reduce the number of employees and consultants at the Nordea Group with at least 6,000. The Nordea Group's average number of full-time equivalent employees was 31,400 in 2017 as compared to 30,873 in 2016, mainly reflecting an increase in the number of employees working in Wealth Management and Group Functions. The number of full-time equivalent employees of the Nordea Group was 31,596 as of 31 December 2016 and 30,399 as 31 December 2017. The transfer to Luminor of the Nordea Group's Baltics operations in the fourth quarter of 2017 reduced the staff number by approximately 1,400 employees. In local currencies and excluding items affecting comparability, the Nordea Group's staff costs increased by 7 per cent in 2017.

Other Expenses

In 2017, other expenses decreased by EUR 24 million, or 1.5 per cent, to EUR 1,622 million from EUR 1,646 million in 2016. The decrease was primarily attributable to a decrease of EUR 24 million, or 19.2 per cent, in postage, transportation, telephone and office expenses, a decrease of EUR 13 million, or 16.5 per cent, in marketing and representation expenses and a decrease of EUR 8 million, or 1.4 per cent, in IT expenses.

The Nordea Group's cost to income ratio, excluding items affecting comparability, in 2017 was 53.9 per cent in 2017, compared to 50.1 per cent in 2016.

Comparison between 2016 and 2015

The following table sets forth the components of the Nordea Group's operating expenses for the periods indicated:

	For the year ended 31 December		
	2015	Change ⁽¹⁾	2016
	(EUR million)	(per cent)	(EUR million)
Operating expenses			
General administrative expenses:			
Staff costs.....	(3,263)	(10.3)	(2,926)
Other expenses.....	(1,485)	10.8	(1,646)
Depreciation, amortisation and impairment charges of tangible and intangible assets.....	(209)	9.1	(228)
Total operating expenses	(4,957)	(3.2)	(4,800)

(1) Indicates percentage change from the year ended 31 December 2015 to 31 December 2016.

Staff Costs

In 2016, staff costs decreased by EUR 337 million, or 10.3 per cent, to EUR 2,926 million, compared to EUR 3,263 million in 2015. This decrease primarily reflects the restructuring costs in the fourth quarter of 2015 related to the Nordea Group's transition programme. Of the total restructuring costs of EUR 263 million, EUR 205 million was allocated to staff costs in 2015. There were no corresponding restructuring costs in 2016. The decrease in staff costs in 2016 also reflects a change made to the Nordea Group's pension agreement in Norway in the fourth quarter of 2016, which resulted in a gain of EUR 86 million that was recorded as a reduction in staff costs. The Nordea Group's average number of full-time equivalent employees was 30,873 in 2016, as compared to 29,681 in 2015. In local currencies and excluding restructuring costs and the impact from the change of a pension agreement in Norway, the Nordea Group's staff costs decreased by 1 per cent in 2016.

Other Expenses

In 2016, other expenses increased by EUR 161 million, or 10.8 per cent, to EUR 1,646 million from EUR 1,485 million in 2015. The increase was primarily attributable to an increase of EUR 162 million, or 40.7 per cent, in other expenses driven by Group projects and activities related to regulatory requirements. An increase of EUR 88 million, or 18.1 per cent, in IT expenses contributed to the overall increase in other expenses. The overall increase in other expenses was partially offset by a decrease of EUR 64 million, or 17.2 per cent, in rents, premises and real estate expenses and a decrease of EUR 20 million, or 13.8 per cent, in postage, transportation, telephone and office expenses.

The Nordea Group's cost to income ratio, excluding items affecting comparability, in 2016 was 50.1 per cent, compared to 47.1 per cent in 2015.

Net Loan Losses

Comparison between 2017 and 2016

In 2017, net loan losses decreased by EUR 133 million, or 26.5 per cent, to EUR 369 million from EUR 502 million in 2016. The decrease in net loan losses was primarily due to a decrease of EUR 74 million in net loan losses of Commercial & Business Banking, which reflected loan loss reversals of EUR 8 million of Business Banking in 2017 compared to net loan losses of Business Banking of EUR 87 million in 2016. A decrease of EUR 50 million in net loan losses of Wholesale Banking, driven by decreases in net loan losses of each of Corporate & Institutional Banking, Shipping, Offshore & Oil Services and Banking Russia, contributed to the overall decrease in net loan losses in 2017. The loan loss ratio of the Nordea Group was 12 basis points in 2017 compared to 15 basis points in 2016. The Nordea Group's collective provisions decreased to EUR 397 million in 2017 compared to EUR 513 million in 2016.

Comparison between 2016 and 2015

In 2016, net loan losses increased by EUR 23 million, or 4.8 per cent, to EUR 502 million from EUR 479 million in 2015. The increase in net loan losses was primarily due to an increase of EUR 121 million, or 76.6 per cent, in loan losses of Wholesale Banking to EUR 279 million in 2016 from EUR 158 million in 2015. The increase in loan losses of Wholesale Banking was due to the increase of EUR 141 million in loan losses of Shipping, Offshore & Oil Services to EUR 147 million in 2016 compared to EUR 6 million in 2015, driven by the increased collective provisions related to the offshore sector in particular in the second half of 2016. These increased provisions primarily reflected the lower than expected demand and significant oversupply in the sector. The overall increase in net loan losses was partially offset by a decrease in net loan losses of Personal Banking of EUR 83 million, or 57.2 per cent, driven by decreases in loan losses primarily in Denmark, and a decrease of EUR 11 million, or 6.4 per cent, in net loan losses of Commercial & Business Banking. The loan loss ratio of the Nordea Group was 15 basis points in 2016 compared to 14 basis points in 2015. In the Baltic countries, the loan loss ratio was 25 basis points in 2016, as compared to 20 basis points in 2015. The Nordea Group's collective provisions increased to EUR 513 million in 2016 compared to EUR 451 million in 2015.

Income Tax Expense

Comparison between 2017 and 2016

In 2017, income tax expense increased by EUR 91 million, or 10.6 per cent, to EUR 950 million from EUR 859 million in 2016. The increase reflected the abolishment by Sweden of the income tax deductibility for interest payments on capital instruments as from 1 January 2017, which increased the income tax expense in 2017 by EUR 55 million. The increase in income tax expenses in 2017 compared to 2016 was also due to the income taxes in 2016 being reduced by items affecting comparability, including the reorganisation of the property portfolio in Life Norway as well as the sale of by Nordea of its holding in Visa Europe Ltd. and Dansk Skibskredit. In 2017, the Nordea Group's effective tax rate was 23.8 per cent, compared to 18.6 per cent in 2016.

Comparison between 2016 and 2015

In 2016, income tax expense decreased by EUR 183 million, or 17.6 per cent, to EUR 859 million from EUR 1,042 million in 2015. The decrease was mainly due to reversals of previously booked deferred taxes related to the reorganisation of the property portfolio in Life Norway as well as the sale of by Nordea of its shares in Visa Europe Ltd. and Dansk Skibskredit. In 2016, the Nordea Group's effective tax rate was 18.6 per cent, compared to 22.2 per cent in 2015.

Results of Operations on a Business Area Basis for 2015, 2016 and 2017

The business area information in the discussion below is based on the business area information for the year ended 31 December 2017, including unaudited comparative information for the year ended 31 December 2016, and for the year ended 31 December 2016, including unaudited comparative information for the year ended 31 December 2015, included in the audited statutory financial statements of the Nordea Group for the years ended 31 December 2017 and 2016, respectively. Given the changes in the Nordea Group's business area reporting structure in 2017, and as the plan rates used in the preparation of the business area information for the years ended 31 December 2016 and 2017 are different, the discussion below of results of operations of the Nordea Group on a business area basis is presented separately for the years ended 31 December 2016 and 2017 and for the years ended 31 December 2015 and 2016. For more information, see “—Introduction—Business Area and Segment Information” above.

Comparison between 2017 and 2016

The following table sets forth income statement and balance sheet data of the Nordea Group on a business area basis for the years ended and as of 31 December 2016 and 2017:

	For the year ended and as of 31 December							
	Personal Banking		Commercial & Business Banking		Wholesale Banking		Wealth Management	
	2016	2017	2016	2017	2016	2017	2016	2017
Income statement data (EUR million)								
Net interest income	1,962	2,101	1,110	1,132	830	739	110	105
Net fee and commission income	692	696	408	432	629	572	1,519	1,673
Net result from items at fair value	79	62	279	240	803	625	353	292
Profit from associated undertakings accounted for under the equity method	0	0	14	14	0	0	0	0
Other operating income	4	7	20	31	0	4	23	24
Total operating income	2,737	2,866	1,831	1,849	2,262	1,940	2,005	2,094
Total operating expenses	(1,666)	(1,724)	(1,100)	(1,141)	(967)	(933)	(854)	(938)
Net loan losses	(36)	(40)	(161)	(87)	(279)	(229)	0	0
Operating profit	1,035	1,102	570	621	1,016	778	1,151	1,156
Balance sheet data (EUR billion)								
Loans to the public	146.9	145.0	80.0	80.1	80.5	71.1	11.5	10.0
Deposits and borrowings from the public	75.8	75.4	39.3	39.0	47.2	47.0	13.5	12.9

Personal Banking

Personal Banking serves the Nordea Group's household customers through various channels offering a full range of financial services and solutions. Personal Banking comprises the units Personal Banking Denmark, Personal Banking Finland, Personal Banking Norway, Personal Banking Sweden and Digital Banking, Products, Strategy & Development, and COO Personal Banking.

Total Operating Income

In 2017, total operating income of Personal Banking increased by EUR 129 million, or 4.7 per cent, to EUR 2,866 million from EUR 2,737 million in 2016. This increase was primarily attributable to an increase in net interest income of EUR 139 million, or 7.1 per cent, to EUR 2,101 million in 2017 from EUR 1,962 million in 2016. A decrease in net result from items at fair value of Personal Banking of EUR 17 million, or 21.5 per cent, to

EUR 62 million in 2017 from EUR 79 million in 2016 also contributed to the decrease in total operating income. The decrease in total operating income was partially offset by an increase in net fee and commission income of Personal Banking of EUR 4 million, to EUR 696 million in 2017 from EUR 692 million in 2016.

Net Interest Income

In 2017, net interest income of Personal Banking increased by EUR 139 million, or 7.1 per cent, to EUR 2,101 million from EUR 1,962 million in 2016. The increase in net interest income of Personal Banking was primarily attributable to higher lending margins, reflecting the gradual stabilisation of the interest rate environment. The lending and deposit volumes of Personal Banking decreased slightly in 2017 compared to 2016. In 2017, net interest income increased in Finland, Norway and Sweden and decreased in Denmark.

Net fee and Commission Income

In 2017, net fee and commission income of Personal Banking increased by EUR 4 million, to EUR 696 million from EUR 692 million in 2016. The increase was primarily attributable to an increase in net fee and commission income in Finland and Sweden. Net fee and commission income remained largely unchanged in Norway and decreased in Denmark.

Net Result from Items at Fair Value

In 2017, net result from items at fair value of Personal Banking decreased by EUR 17 million, or 21.5 per cent, to EUR 62 million from EUR 79 million in 2016. The decrease was primarily due to decreases in net result from items at fair value in Finland, Sweden and Norway. The decrease in total net result from items at fair value was partially offset by an increase in net result from items at fair value in Denmark.

Total Operating Expenses

In 2017, total operating expenses of Personal Banking increased by EUR 58 million, or 3.5 per cent, to EUR 1,724 million from EUR 1,666 million in 2016. The increase was primarily attributable to transformation costs of EUR 40 million recorded in the fourth quarter of 2017 related to the transformational agenda announced by Nordea in October 2017. Of these costs, EUR 30 million was recognised as staff costs. The number of full-time employees of Personal Banking decreased by 3.4 per cent in 2017 compared to 2016, reflecting the transfer to Luminor of the Nordea Group's Baltics operations in the fourth quarter of 2017 and the improved efficiencies and automation of the operations and the branch network. The cost to income ratio of Personal Banking was 60.2 per cent and 60.9 per cent in 2017 and 2016, respectively.

Net Loan Losses

In 2017, net loan losses of Personal Banking increased by EUR 4 million, or 11.1 per cent, to EUR 40 million from EUR 36 million in 2016. The increase in net loan losses was primarily attributable to increases in net loan losses in Denmark and Personal Banking other. Net loan losses remained largely unchanged in Norway and Sweden and decreased in Finland. See also "*Risk Management—Credit Risk Management—Impaired Loans*".

Commercial & Business Banking

Commercial & Business Banking serves large corporate customers (Commercial Banking) and small and medium-sized corporate customers (Business Banking), and includes the units Commercial Banking, Business Banking, Transaction Banking, COO Commercial & Business Banking, People and Core functions.

Total Operating Income

In 2017, total operating income of Commercial & Business Banking increased by EUR 18 million, or 1.0 per cent, to EUR 1,849 million from EUR 1,831 million in 2016. This increase was primarily attributable to an increase in net fee and commission income of EUR 24 million, or 5.9 per cent, to EUR 432 million in 2017 from EUR 408 million in 2016 and an increase in net interest income of EUR 22 million, or 2.0 per cent, to EUR 1,132 million in 2017 from EUR 1,110 million in 2016. The increase in total operating income was partially offset by a decrease in net result from items at fair value of EUR 39 million, or 14.0 per cent, to EUR 240 million in 2017 from EUR 279 million in 2016.

Net Interest Income

In 2017, net interest income of Commercial & Business Banking increased by EUR 22 million, or 2.0 per cent, to EUR 1,132 million from EUR 1,110 million in 2016. The increase in net interest income of Commercial & Business Banking was primarily attributable to higher lending and deposit margins, reflecting the Nordea Group's initiatives to increase lending margins continuing to take effect. The lending and deposit volumes of Commercial & Business Banking remained largely unchanged in 2017 compared to 2016. In 2017, net interest income increased in Commercial Banking by EUR 40 million, or 8.5 per cent and in Business Banking by EUR 6 million, or 1.0 per cent, compared to 2016.

Net fee and Commission Income

In 2017, net fee and commission income of Commercial & Business Banking increased by EUR 24 million, or 5.9 per cent, to EUR 432 million from EUR 408 million in 2016. This increase was primarily attributable to increases of EUR 12 million, or 5.6 per cent, in net fee and commission income of Commercial Banking, EUR 7 million, or 12.1 per cent in net fee and commission income of Commercial & Business Banking, other, and EUR 5 million, or 2.0 per cent, in net fee and commission income of Business Banking.

Net Result from Items at Fair Value

In 2017, net result from items at fair value of Commercial & Business Banking decreased by EUR 39 million, or 14.0 per cent, to EUR 240 million from EUR 279 million in 2016. Net result from items at fair value decreased in Commercial Banking by EUR 27 million, or 12.8 per cent and in Business Banking by EUR 2 million, or 2.8 per cent, compared to 2016. In 2017, net results from items at fair value of Commercial & Business Banking other, which includes the areas COO, Transaction Banking, Digital Banking and HR, decreased by EUR 10 million compared to 2016.

Total Operating Expenses

In 2017, total operating expenses of Commercial & Business Banking increased by EUR 41 million, or 3.7 per cent, to EUR 1,141 million from EUR 1,100 million in 2016. The increase was primarily attributable to transformation costs of EUR 51 million recorded in the fourth quarter of 2017 related to the transformational agenda announced by Nordea in October 2017. Of these costs, EUR 47 million was recognised as staff costs. The number of full-time employees of Commercial & Business Banking decreased by 6.5 per cent in 2017 compared to 2016, reflecting the transfer to Luminor of the Nordea Group's Baltics operations in the fourth quarter of 2017. The cost to income ratio of Commercial & Business Banking was 61.7 per cent and 60.1 per cent in 2017 and 2016, respectively.

Net Loan Losses

In 2017, net loan losses of Commercial & Business Banking decreased by EUR 74 million, or 46.0 per cent, to EUR 87 million from EUR 161 million in 2016. The decrease in net loan losses reflected loan loss reversals of EUR 8 million of Business Banking in 2017 compared to net loan losses of Business Banking of EUR 87 million in 2016. This change was primarily due to the improved credit quality in the agricultural sector in 2017. The decrease in total net loan losses was partially offset by an increase of EUR 20 million in net loan losses of Commercial Banking.

Wholesale Banking

Wholesale Banking provides services and financial solutions to Nordea's largest corporate and institutional customers. Customers are served through a pan-Nordic platform complemented by selected international branches. The business area provides its customers with products and services within corporate banking, cash management and trade finance services, investment banking and capital markets products. The Wholesale Banking business area includes the business units Corporate & Investment Banking, Nordea Bank Russia, FICC, Equities and Core functions, including COO Wholesale Banking.

Total Operating Income

In 2017, total operating income of Wholesale Banking decreased by EUR 322 million, or 14.2 per cent, to EUR 1,940 million from EUR 2,262 million in 2016. The decrease was primarily attributable to decreases of EUR 178 million, or 22.2 per cent, in net result from items at fair value to EUR 625 million in 2017 from EUR 803 million in 2016, of EUR 91 million, or 11.0 per cent, in net interest income to EUR 739 million in 2017 from EUR 830 million in 2016, and of EUR 57 million, or 9.1 per cent, in net fee and commission income to EUR 572 million from EUR 629 million in 2016.

Net Interest Income

In 2017, net interest income of Wholesale Banking decreased by EUR 91 million, or 11.0 per cent, to EUR 739 million from EUR 830 million in 2016. The decrease in net interest income was primarily attributable to lending volumes as corporate lending of Wholesale Banking decreased from EUR 80.5 billion as of 31 December 2016 to EUR 71.1 billion as of 31 December 2017. This decrease was driven by decreased lending volumes of Shipping, Offshore & Oil Services and Nordea Russia that reflected the Nordea Group's strategy of reducing its exposure in these two areas. Net interest income of Corporate & Institutional Banking was supported by the further implementation of deposit fees and remained largely unchanged, while net interest income of Shipping, Offshore & Oil Services and Banking Russia decreased and of Wholesale Banking other increased in 2017.

Net fee and Commission Income

In 2017, net fee and commission income of Wholesale Banking decreased by EUR 57 million, or 9.1 per cent, to EUR 572 million from EUR 629 million in 2016. The decrease was primarily driven by decreases in net fee and commission income of Corporate & Institutional Banking as well as Shipping, Offshore & Oil Services. Net fee and commission income of Wholesale Banking other increased and Banking Russia remained largely unchanged in 2017.

Net Result from Items at Fair Value

In 2017, net result from items at fair value of Wholesale Banking decreased by EUR 178 million, or 22.2 per cent, to EUR 625 million from EUR 803 million in 2016. The decrease primarily reflected decreases of EUR 107 million in net result from items at fair value of Wholesale Banking other and EUR 64 million in net result from items at fair value of Shipping, Offshore & Oil Services. Net result from items at fair value of Corporate & Institutional Banking and Banking Russia were largely unchanged in 2017.

Total Operating Expenses

In 2017, total operating expenses of Wholesale Banking decreased by EUR 34 million, or 3.5 per cent, to EUR 933 million from EUR 967 million in 2016. The decrease was primarily attributable to the business area's intensified cost focus and resource management. Wholesale Banking recorded transformation costs of EUR 32 million, all of which were staff costs, in the fourth quarter of 2017 related to the transformational agenda announced by Nordea in October 2017. The number of full-time employees of Wholesale Banking decreased by 8.2 per cent in 2017 compared to 2016, reflecting the transfer to Luminor of the Nordea Group's Baltics operations in the fourth quarter of 2017. The cost to income ratio of Wholesale Banking was 48.1 per cent and 42.7 per cent in 2017 and 2016, respectively.

Net Loan Losses

In 2017, net loan losses of Wholesale Banking decreased by EUR 50 million, or 17.9 per cent, to EUR 229 million from EUR 279 million in 2016. The decrease was primarily attributable to decreases of EUR 31 million in net loan losses of Corporate & Institutional Banking, EUR 11 million in net loan losses of Shipping, Offshore & Oil Services and EUR 10 million in net loan losses of Banking Russia. See also "*Risk Management—Credit Risk Management—Credit Risk Analysis—Loans and Receivables to Corporate Customers*".

Wealth Management

Wealth Management includes the units Private Banking, including Private Banking, Asset Management, Life & Pensions, Investment Solutions & Advisory Centre, Business Development and Operations.

Total Operating Income

In 2017, total operating income of Wealth Management increased by EUR 89 million, or 4.4 per cent, to EUR 2,094 million from EUR 2,005 million in 2016. The increase was primarily attributable to an increase of EUR 125 million, or 15 per cent, in the total income of Asset Management, reflecting an increase in net fee and commission income. The increase in total operating income was partially offset by decreases of EUR 30 million, or 5.7 per cent, in the total income of Private Banking and EUR 9 million, or 1.4 per cent, in the total income of Life & Pensions.

Net Interest Income

In 2017, net interest income of Wealth Management decreased by EUR 5 million, or 4.5 per cent, to EUR 105 million from EUR 110 million in 2016. The decrease was primarily attributable to lower lending and deposit margins, partially offset by higher lending volumes.

Net fee and Commission Income

In 2017, net fee and commission income of Wealth Management increased by EUR 154 million, or 10.1 per cent, to EUR 1,673 million from EUR 1,519 million in 2016. The increase was primarily attributable to an increase in assets under management of EUR 7.7 billion, or 2.4 per cent to 330.4 billion as of 31 December 2017 from EUR 322.7 billion as of 31 December 2016. Net fee and commission income of Asset Management increased EUR 123 million, or 14.5 per cent, and net fee and commission income of Life & Pensions increased EUR 27 million, or 7.8 per cent. Net fee and commission income of Private Banking was largely unchanged in 2017.

Net Result from Items at Fair Value

In 2017, net result from items at fair value of Wealth Management decreased by EUR 61 million, or 17.3 per cent, to EUR 292 million from EUR 353 million in 2016. The decrease was primarily attributable to decreases of

EUR 37 million, or 13.9 per cent, in net result from items at fair value of Life & Pensions and EUR 24 million, or 27.9 per cent in net result from items at fair value of Private Banking.

Total Operating Expenses

In 2017, total operating expenses of Wealth Management increased by EUR 84 million, or 9.8 per cent, to EUR 938 million from EUR 854 million in 2016. The increase was primarily attributable to higher compliance-related costs in Private Banking and increased staff costs. Wealth Management recorded transformation costs of EUR 7 million, of which EUR 5 million were staff costs, in the fourth quarter of 2017 related to the transformational agenda announced by Nordea in October 2017. The number of full-time employees of Wealth Management increased by 1.4 per cent in 2017 compared to 2016. The cost to income ratio of Wealth Management was 44.8 per cent and 42.6 per cent in 2017 and 2016, respectively.

Net Loan Losses

In 2017, net loan losses of Wealth Management remained unchanged at EUR 0 million compared to net loan losses in 2016.

Group Functions and Other

Group Functions and Other provides strategic frameworks, common infrastructure and processes for the Group. Group Functions and Other supports the Nordea Group within capital models, balance sheet management and investor relations. The main income in Group Functions and Other originates from Group Treasury & ALM together with Capital Account Centre through which capital is allocated to business areas.

Total Operating Income

In 2017, total operating income of Group Functions and Other decreased by EUR 372 million, or 34.1 per cent, to EUR 720 million from EUR 1,092 million in 2016. The decrease was primarily attributable to a decrease of EUR 89 million in profit from associated undertakings and joint ventures accounted for under the equity method and a decrease of EUR 71 million in other operating income. These decreases reflected the acquisition of Visa Europe Ltd., in which Nordea was a shareholder, by Visa Inc. in the second quarter of 2016. The acquisition resulted in a gain of EUR 93 million, net of tax deducted by intermediaries, recognised under profit from associated undertakings and joint ventures accounted for under the equity method and a gain of EUR 58 million, net of tax deducted by intermediaries, recognised under other operating income, in each case in 2016. Net interest income of Group Functions and Other decreased by EUR 126 million, or 17.6 per cent, which was driven by higher resolution fees in 2017. A decrease of EUR 92 million, or 45.8 per cent, in net result from items at fair value of Group Functions and Other in 2017, which was primarily attributable to a gain in 2016 related to the sale by Nordea of its holding in Dansk Skibskredit, contributed to the overall decrease in total operating income of Group Functions and Other.

Operating Profit

In 2017, operating profit of Group Functions and Other decreased by EUR 512 million, or 60.0 per cent, to EUR 341 million from EUR 853 million in 2016. The decrease in operating profit was primarily attributable to a decrease of EUR 372 million, or 34.1 per cent, in total operating income. An increase of EUR 153 million in total operating expenses, mainly driven by an increase of EUR 226 million, or 43.1 per cent, in staff costs, contributed to the overall decrease in operating profit of Group Functions and Other.

Comparison between 2016 and 2015

The following table sets forth income statement and balance sheet data of the Nordea Group on a business area basis for the years ended and as of 31 December 2015 and 2016. Information for 2015 is restated and unaudited due to the changes in the business area structure made in 2016.

	For the year ended and as of 31 December									
	Personal Banking		Commercial & Business Banking		Wholesale Banking		Wealth Management		Group Corporate Centre	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Income statement data (EUR million)										
Net interest income	2,162	2,112	1,215	1,110	1,018	830	121	112	385	496
Net fee and commission income	791	727	432	413	600	629	1,437	1,521	(14)	(14)
Net result from items at fair value	106	104	285	278	832	803	341	352	93	229
Profit from associated undertakings accounted for under the equity method	2	2	10	11	0	0	0	0	0	0
Other operating income	(1)	5	27	21	2	0	30	19	18	0
Total operating income	3,060	2,950	1,969	1,833	2,452	2,262	1,929	2,004	481	711
Staff costs	(899)	(854)	(521)	(486)	(649)	(625)	(501)	(500)	(237)	(286)
Other expenses	(846)	(881)	(391)	(424)	(285)	(270)	(295)	(295)	140	57
Depreciation, amortisation and impairment charges of tangible and intangible assets	(54)	(50)	(24)	(31)	(19)	(20)	(5)	(9)	(45)	(62)
Total operating expenses	(1,799)	(1,785)	(936)	(941)	(953)	(915)	(801)	(804)	(142)	(291)
Net loan losses	(145)	(62)	(171)	(160)	(158)	(279)	(1)	0	0	0
Operating profit	1,116	1,103	862	732	1,341	1,068	1,127	1,200	335	418
Balance sheet data (EUR billion)										
Loans to the public	151.4	154.9	80.0	79.8	99.4	80.5	10.5	11.5	–	–
Deposits and borrowings from the public	79.4	80.5	40.6	39.3	57.4	47.2	12.6	13.5	–	–

Personal Banking

Total Operating Income

In 2016, total operating income of Personal Banking decreased by EUR 110 million, or 3.6 per cent, to EUR 2,950 million from EUR 3,060 million in 2015. This decrease was primarily attributable to a decrease in net fee and commission income of EUR 64 million, or 8.1 per cent, to EUR 727 million in 2016 from EUR 791 million in 2015. A decrease in net interest income of Personal Banking of EUR 50 million, or 2.3 per cent, to EUR 2,112 million in 2016 from EUR 2,162 million in 2015 contributed to the decrease in total operating income. Net result from items at fair value of Personal Banking was largely unchanged at EUR 104 million in 2016 compared to net result from items at fair value of EUR 106 million in 2015.

Net Interest Income

In 2016, net interest income of Personal Banking decreased by EUR 50 million, or 2.3 per cent, to EUR 2,112 million from EUR 2,162 million in 2015. The decrease in net interest income of Personal Banking was primarily attributable to increased funding costs, continued pressure on deposit margins and currency effects. The overall decrease in net interest income of Personal Banking was partially offset by increased deposit and lending volumes and the Nordea Group's initiatives to increase lending margins gradually taking effect. Business-driven lending and deposit volumes had a positive effect on net interest income of Personal Banking compared to 2015. In 2016, net interest income decreased in Finland and Norway, remained largely unchanged in Denmark and the Baltic countries and increased in Sweden.

Net fee and Commission Income

In 2016, net fee and commission income of Personal Banking decreased by EUR 64 million, or 8.1 per cent, to EUR 727 million from EUR 791 million in 2015. The decrease was primarily attributable to decreased net fee and commission income in Denmark, primarily reflecting decreased loan refinancing activity in 2016. Net fee and commission income decreased also in Finland and Sweden and increased in Norway (in local currency) and in the Baltic countries.

Net Result from Items at Fair Value

In 2016, net result from items at fair value of Personal Banking was largely unchanged at EUR 104 million compared to net result from items at fair value of EUR 106 million in 2015. Net result from items at fair value decreased in Norway and Sweden, remained largely unchanged in Finland and increased in Denmark and the Baltic countries.

Total Operating Expenses

In 2016, total operating expenses of Personal Banking decreased by EUR 14 million, or 0.8 per cent, to EUR 1,785 million from EUR 1,799 million in 2015. The decrease was primarily attributable to a decrease of EUR 45 million, or 5.0 per cent, in staff costs mainly due to higher IT capitalisations compared to 2015. In 2016,

depreciation, amortisation and impairment charges of tangible and intangible assets decreased slightly to EUR 50 million compared to EUR 54 million in 2015. The overall decrease in total operating expenses was partially offset by an increase of EUR 35 million, or 4.1 per cent, in other expenses, which was driven by an increase in costs related to the implementation of group common change programmes and activities related to regulatory requirements. The number of full-time employees of Personal Banking increased by 0.7 per cent in 2016 compared to 2015 reflecting the continued focus on digital development and the increasing demands within the compliance area. The cost to income ratio of Personal Banking was 60.5 per cent and 58.8 per cent in 2016 and 2015, respectively.

Net Loan Losses

In 2016, net loan losses of Personal Banking decreased by EUR 83 million, or 57.2 per cent, to EUR 62 million from EUR 145 million in 2015. The decrease in net loan losses was primarily attributable to net loan losses in Denmark that decreased from EUR 50 million in 2015 to EUR 0 million in 2016. Net loan losses decreased also in Finland and Sweden and remained unchanged in Norway. Net loan losses in the Baltic countries increased to EUR 21 million in 2016 from EUR 13 million in 2015. See also “*Risk Management—Credit Risk Management—Impaired Loans*”.

Commercial & Business Banking

Total Operating Income

In 2016, total operating income of Commercial & Business Banking decreased by EUR 136 million, or 6.9 per cent, to EUR 1,833 million from EUR 1,969 million in 2015. This decrease was primarily attributable to a decrease in net interest income of EUR 105 million, or 8.6 per cent, to EUR 1,110 million in 2016 from EUR 1,215 million in 2015. A decrease in net fee and commission income of EUR 19 million, or 4.4 per cent, and a decrease in net result from items at fair value of EUR 7 million, or 2.5 per cent, contributed to the decrease in total operating income of Commercial & Business Banking.

Net Interest Income

In 2016, net interest income of Commercial & Business Banking decreased by EUR 105 million, or 8.6 per cent, to EUR 1,110 million in 2016 from EUR 1,215 million in 2015. The decrease in net interest income of Commercial & Business Banking was primarily attributable to lower deposit margins, higher funding costs and currency effects. The overall decrease in net interest income of Commercial & Business Banking was partially offset by the Nordea Group’s initiatives to increase margins gradually taking effect on corporate lending. Changes in business-driven lending and deposit volumes had a limited effect on net interest income of Commercial & Business Banking compared to 2015. In 2016, net interest income decreased by EUR 46 million, or 9.0 per cent, in Commercial Banking and by EUR 51 million, or 7.8 per cent, in Business Banking compared to 2015.

Net fee and Commission Income

In 2016, net fee and commission income of Commercial & Business Banking decreased by EUR 19 million, or 4.4 per cent, to EUR 413 million from EUR 432 million in 2015. The decrease was primarily attributable to a decrease of EUR 17 million, or 6.3 per cent, in net fee and commission income of Business Banking, reflecting lower payment and card fees. Net fee and commission income of Commercial Banking increased by EUR 5 million, or 2.3 per cent, in 2016.

Net Result from Items at Fair Value

In 2016, net result from items at fair value of Commercial & Business Banking decreased by EUR 7 million, or 2.5 per cent, to EUR 278 million from EUR 285 million in 2015. Net result from items at fair value increased by EUR 2 million, or 1.0 per cent, in Commercial Banking and decreased by EUR 3 million, or 3.9 per cent, in Business Banking compared to 2015. Net result from items at fair value of Commercial & Business Banking other, which includes the areas COO, Transaction Banking, Digital Banking and HR, decreased by EUR 6 million in 2016.

Total Operating Expenses

In 2016, total operating expenses of Commercial & Business Banking increased by EUR 5 million, or 0.5 per cent, to EUR 941 million from EUR 936 million in 2015. The increase was primarily attributable to an increase of EUR 33 million, or 8.4 per cent, in other expenses, which was driven by Group projects and activities related to regulatory requirements. In 2016, depreciation, amortisation and impairment charges of tangible and intangible assets increased to EUR 31 million compared to EUR 24 million in 2015. The overall increase in total operating expenses was partially offset by a decrease of EUR 35 million, or 6.7 per cent, in staff costs mainly due to higher IT capitalisations compared to 2015. The number of full-time employees of Commercial & Business Banking increased by 1.5 per cent in 2016 compared to 2015. The cost to income ratio of Commercial & Business Banking was 51.3 per cent and 47.5 per cent in 2016 and 2015, respectively.

Net Loan Losses

In 2016, net loan losses of Commercial & Business Banking decreased by EUR 11 million, or 6.4 per cent, to EUR 160 million from EUR 171 million in 2015. The decrease in net loan losses was primarily attributable to a decrease of EUR 41 million, or 32.0 per cent, in net loan losses of Business Banking. Net loan losses of Commercial Banking increased by EUR 30 million, or 78.9 per cent, in 2016, reflecting the higher level of loan loss reversals made in 2015.

Wholesale Banking

Total Operating Income

In 2016, total operating income of Wholesale Banking decreased by EUR 190 million, or 7.7 per cent, to EUR 2,262 million from EUR 2,452 million in 2015. The decrease was primarily attributable to a decrease of EUR 188 million, or 18.5 per cent, in net interest income. Net result from items at fair value of Wholesale Banking decreased by EUR 29 million, or 3.5 per cent, in 2016. The overall decrease in total operating income of Wholesale Banking was partially offset by an increase of EUR 29 million, or 4.8 per cent, in net fee and commission income.

Net Interest Income

In 2016, net interest income of Wholesale Banking decreased by EUR 188 million, or 18.5 per cent, to EUR 830 million from EUR 1,018 million in 2015. The decrease in net interest income was primarily attributable to the internal redistribution of funding costs from Group Corporate Centre in 2015 as well as higher funding costs, negative interest rates, increased resolution fee allocated to Wholesale Banking and currency effects in 2016. Implementation of deposit fees in Sweden and Finland mitigated the impact of negative rates. Business-driven lending and deposit volumes had a negative effect on net interest income of Wholesale Banking compared to 2015. Net interest income of each of Corporate & Institutional Banking, Shipping, Offshore & Oil Services, Banking Russia and Wholesale Banking other decreased in 2016.

Net fee and Commission Income

In 2016, net fee and commission income of Wholesale Banking increased by EUR 29 million, or 4.8 per cent, to EUR 629 million from EUR 600 million in 2015. The increase was primarily driven by higher net fee and commission income of Corporate & Institutional Banking in 2016, which reflected the strong demand for corporate transaction and advisory services in 2016. Net fee and commission income of Banking Russia remained largely unchanged in 2016, while net fee and commission income of Shipping, Offshore & Oil Services and Wholesale Banking other decreased.

Net Result from Items at Fair Value

In 2016, net result from items at fair value of Wholesale Banking decreased by EUR 29 million, or 3.5 per cent, to EUR 803 million from EUR 832 million in 2015. The decrease primarily reflected the negative impact from fair value adjustments in Capital Markets unallocated, whereas activity in the customer business was relatively stable compared to 2015. Net result from items at fair value of Wholesale Banking other, which includes Capital Markets unallocated (*i.e.*, capital markets operations which are not allocated to the main business areas) decreased by EUR 26 million, or 5.5 per cent, and net result from items at fair value of Shipping, Offshore & Oil Services decreased by EUR 8 million, or 20.5 per cent, with Corporate & Institutional Banking and Banking Russia experiencing small increases in net result from items at fair value in 2016.

Total Operating Expenses

In 2016, total operating expenses of Wholesale Banking decreased by EUR 38 million, or 4.0 per cent, to EUR 915 million from EUR 953 million in 2015. The decrease was primarily attributable to a decrease of EUR 24 million, or 3.7 per cent, in staff costs and a decrease of EUR 15 million, or 5.3 per cent, in other expenses in 2016. The number of full-time employees of Wholesale Banking increased by 4.1 per cent in 2016 compared to 2015. The cost to income ratio of Wholesale Banking was 40.5 per cent and 38.9 per cent in 2016 and 2015, respectively.

Net Loan Losses

In 2016, net loan losses of Wholesale Banking increased by EUR 121 million, or 76.6 per cent, to EUR 279 million from EUR 158 million in 2015. The increase was primarily attributable to an increase in loan losses of Shipping, Offshore & Oil Services of EUR 141 million to EUR 147 million in 2016 compared to EUR 6 million in 2015, driven by the increased collective provisions related to the offshore sector in particular in the second half of 2016. This increase reflected the lower than expected demand and significant oversupply in the sector. An increase of EUR 8 million, or 34.8 per cent, in net loan losses of Banking Russia and a decrease in loan loss reversals of EUR 11 million of Wholesale Banking other in 2016 contributed to the overall increase in net loan losses in 2016. Net loan losses of Corporate & Institutional Banking decreased by EUR 39 million, or 27.5 per cent, in 2016. See also “*Risk Management—Credit Risk Management—Credit Risk Analysis—Loans and Receivables to Corporate Customers*”.

Wealth Management

Total Operating Income

In 2016, total operating income of Wealth Management increased by EUR 75 million, or 3.9 per cent, to EUR 2,004 million from EUR 1,929 million in 2015. The increase was primarily attributable to an increase of EUR 83 million, or 10.8 per cent, in total operating income of Asset Management. An increase of EUR 37 million, or 6.2 per cent, in total operating income of Life & Pensions contributed to the overall increase in total operating income of Wealth Management. Total operating income of Private Banking decreased by EUR 39 million, or 6.9 per cent, in 2016.

Net Interest Income

In 2016, net interest income of Wealth Management decreased by EUR 9 million, or 7.4 per cent, to EUR 112 million from EUR 121 million in 2015 primarily due to higher funding costs. Business-driven lending and deposit volumes had a positive effect on net interest income of Wealth Management compared to 2015.

Net fee and Commission Income

In 2016, net fee and commission income of Wealth Management increased by EUR 84 million, or 5.8 per cent, to EUR 1,521 million from EUR 1,437 million in 2015. The increase was primarily attributable to an increase in asset management commissions, driven by an increase in the Nordea Group's assets under management to EUR 322.7 billion as of 31 December 2016, an increase of EUR 34.5 billion, or 12.0 per cent, compared to assets under management of EUR 288.2 billion as of 31 December 2015. The increase in assets under management was primarily due to net inflows of EUR 19.3 billion driven by strong flows in the Nordea Group's international fund distribution and market appreciation of EUR 15.2 billion attributable to positive market conditions and good investment performance in 2016. Net fee and commission income of Life & Pensions increased by EUR 6 million, or 1.8 per cent, in 2016, while net fee and commission income of Private Banking decreased by EUR 11 million, or 3.3 per cent.

Net Result from Items at Fair Value

In 2016, net result from items at fair value of Wealth Management increased by EUR 11 million, or 3.2 per cent, to EUR 352 million from EUR 341 million in 2015. The increase was primarily attributable to an increase of EUR 30 million, or 12.7 per cent, in net result from items at fair value of Life & Pensions, partially offset by decrease in net result from items at fair value of Private Banking of EUR 17 million, or 16.7 per cent, in 2016.

Total Operating Expenses

In 2016, total operating expenses of Wealth Management remained largely unchanged at EUR 804 million, compared to EUR 801 million in 2015. Staff costs and other expenses of Wealth Management were EUR 500 million and EUR 295 million in 2016, compared to EUR 501 million and EUR 295 million in 2015, respectively. The number of full-time employees increased by 3.4 per cent in 2016 compared to 2015. The cost to income ratio of Wealth Management was 40.1 per cent and 41.5 per cent in 2016 and 2015, respectively.

Net Loan Losses

In 2016, net loan losses of Wealth Management were EUR 0 million compared to net loan losses of EUR 1 million in 2015.

Group Corporate Centre

Group Corporate Centre, which was reported as a separate business area up to the first quarter of 2017, provides strategic frameworks, common infrastructure and processes for the Group. Group Corporate Centre supports the Nordea Group within capital models, balance sheet management and investor relations. The main income of the Group Corporate Centre business area originated from Group Treasury & ALM together with Capital Account Centre through which capital is allocated to business areas.

Total Operating Income

In 2016, total operating income of Group Corporate Centre increased by EUR 230 million, or 47.8 per cent, to EUR 711 million from EUR 481 million in 2015. The increase was driven by an increase of EUR 136 million in net result from items at fair value of Group Corporate Centre in 2016. This increase was primarily attributable to the strong performance in the liquidity buffer and the revaluation of Dansk Skibskredit in the third quarter of 2016. An increase in net interest income of Group Corporate Centre of EUR 111 million, or 28.8 per cent, which reflected re-pricing gap income, positioning for lower rates and buybacks of issued debt in 2016 as well as the internal redistribution of funding costs in 2015, contributed to the increase in total operating income. The overall increase was partially offset by a decrease of EUR 18 million in other operating income in 2016.

Total Operating Profit

In 2016, operating profit of Group Corporate Centre increased by EUR 83 million, or 24.8 per cent, to EUR 418 million from EUR 335 million in 2015. The overall increase was partially offset by an increase of EUR 149 million in total operating expenses of Group Corporate Centre, which reflected in Group projects and activities related to regulatory requirements, and an increase of EUR 49 million, or 20.7 per cent, in staff costs in 2016. The number of full-time employees increased by 37.1 per cent in 2016 compared to 2015. The increase was primarily due to the Group common change programmes and hirings related to regulatory requirements.

Results of Operations of Nordea on a Nonconsolidated Basis for 2015, 2016 and 2017

The following discussion includes a comparison of Nordea's nonconsolidated results of operations for the years ended 31 December 2015, 2016 and 2017. For more information on Nordea's nonconsolidated results of operations, see the audited financial statements of Nordea for the years ended and as of 31 December 2017 and 2016 incorporated by reference into this Prospectus.

The following table sets forth income statement data of Nordea for the years ended 31 December 2015, 2016 and 2017:

	For the year ended 31 December		
	2015	2016	2017
		(EUR million)	
Net interest income.....	511 ⁽¹⁾	464	2,331
Net fee and commission income	886 ⁽¹⁾	840	2,002
Net result from items at fair value.....	136	216	1,104
Dividends.....	2,176	3,210	3,344
Other operating income	833	712	476
Total operating income	4,542	5,442	9,257
General administrative expenses:			
Staff costs.....	(1,196)	(1,113)	(2,768)
Other expenses.....	(851)	(1,008)	(1,469)
Depreciation, amortisation and impairment charges of tangible and intangible assets.....	(140)	(172)	(277)
Total operating expenses	(2,187)	(2,293)	(4,514)
Profit before loan losses	2,355	3,149	4,743
Net loan losses.....	(143)	(193)	(299)
Impairment of securities held as financial non-current assets.....	(9)	(6)	(385)
Operating profit.....	2,203	2,950	4,059
Appropriations.....	2	1	2
Income tax expense	(285)	(51)	(551)
Net profit for the year	1,920	2,900	3,510

(1) Due to a reclassification in 2016 of state guarantee fees from "net fee and commission income" to "net interest income", Nordea restated the comparative income statement figures for the year ended 31 December 2015 included in the audited financial statements of Nordea for the year ended and as of 31 December 2016. The restated figures for 2015 presented herein are unaudited. The audited non-restated figure for the year ended 31 December 2015 for net interest income is EUR 576 million and for net fee and commission income EUR 821 million.

On 2 January 2017, Nordea Sweden merged with Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA (*i.e.*, the 2017 Subsidiary Mergers discussed under "*Description of the Nordea Group—Legal Structure—Nordea Group*") and recognised the assets and liabilities and income statement as of 1 January 2017 of its former subsidiaries that have become branches of Nordea. For an income statement of Nordea Sweden for the year ended and as of 31 December 2016 prepared to illustrate the effect the 2017 Subsidiary Mergers would have had on the income statement of Nordea Sweden had the 2017 Subsidiary Mergers been completed as of 31 December 2016, see "*Note P20*" to the audited financial statements of Nordea for the years ended and as of 31 December 2016.

Total Operating Income

Comparison between 2017 and 2016

In 2017, total operating income of Nordea increased by EUR 3,815 million, or 70.1 per cent, to EUR 9,257 million from EUR 5,442 million in 2016. The increase was attributable to the 2017 Subsidiary Mergers.

Comparison between 2016 and 2015

In 2016, total operating income of Nordea increased by EUR 900 million, or 19.8 per cent, to EUR 5,442 million from EUR 4,542 million in 2015. The increase was attributable to an increase of EUR 1,034 million, or 47.5 per cent, in dividends and to an increase of EUR 80 million, or 58.8 per cent, in net result from items at fair value, partially offset by a decrease of EUR 121 million, or 14.5 per cent, in other operating income, a decrease of EUR 47 million, or 9.2 per cent, in net interest income and a decrease of EUR 46 million, or 5.2 per cent, in net fee and commission income.

Operating Profit

Comparison between 2017 and 2016

In 2017, operating profit of Nordea increased by EUR 1,109 million, or 37.6 per cent, to EUR 4,059 million from EUR 2,950 million in 2016. The increase was primarily attributable to the 2017 Subsidiary Mergers.

Comparison between 2016 and 2015

In 2016, operating profit of Nordea increased by EUR 747 million, or 33.9 per cent, to EUR 2,950 million from EUR 2,203 million in 2015. The increase was primarily attributable to an increase of EUR 900 million, or 19.8 per cent, in total operating income of Nordea to EUR 5,442 million from EUR 4,542 million in 2015. The overall increase in operating profit of Nordea was partially offset by an increase of EUR 106 million, or 4.8 per cent, in total operating expenses and an increase of EUR 50 million, or 35.0 per cent, in net loan losses of Nordea in 2016 compared to 2015.

Balance Sheet Information

Nordea Group

The below discussion of the balance sheet of the Nordea Group is presented on the basis of the restated comparative figures as of 31 December 2015 that reflect the Nordea Group's reclassification and related restatement in 2016 investments in interest-bearing securities and shares on behalf of customers in pension pools and unit-linked investment contracts, where the customers bear the investment risk, and the corresponding liabilities to customers to "assets in pooled schemes and unit-linked investment contracts" and "deposits in pooled schemes and unit-linked investment contracts", respectively. See also "*—Results of Operations—Introduction—Reclassifications and Restatements—Pooled Schemes and Unit-linked Investment Contracts*" above.

The following table sets forth the principal items of the Nordea Group's balance sheet as of 31 December 2015, 2016 and 2017:

	As of 31 December				
	2015	Change ⁽⁶⁾	2016	Change ⁽⁶⁾	2017
	(EUR million)	(per cent)	(EUR million)	(per cent)	(EUR million)
Cash and balances with central banks	35,500	(9.6)	32,099	34.2	43,081
Loans to central banks	13,224	(15.0)	11,235	(57.3)	4,796
Loans to credit institutions	10,762 ⁽¹⁾	(16.1)	9,026	(4.8)	8,592
Loans to the public	340,920	(6.8)	317,689	(2.4)	310,158
Interest-bearing securities	86,535 ⁽¹⁾	1.3	87,701	(14.1)	75,294
Financial instruments pledged as collateral	8,341	(38.8)	5,108	27.0	6,489
Shares	22,273 ⁽¹⁾	(3.4)	21,524	(20.2)	17,180
Assets in pooled schemes and unit-linked investment contracts	20,434 ⁽¹⁾	13.1	23,102	12.0	25,879
Derivatives	80,741	(13.4)	69,959	(34.1)	46,111
Other ⁽²⁾	28,138 ⁽¹⁾	4.2	29,319	(25.5)	21,846
Assets held for sale ⁽³⁾	—	—	8,897	149.4	22,186
Total assets	646,868	(4.8)	615,659	(5.5)	581,612
Deposits by credit institutions	44,209	(13.7)	38,136	4.8	39,983
Deposits and borrowings from the public	189,049 ⁽⁴⁾	(7.9)	174,028	(0.9)	172,434
Deposits in pooled schemes and unit-linked investment contracts	21,088 ⁽⁴⁾	11.8	23,580	11.7	26,333
Liabilities to policyholders	38,707 ⁽⁴⁾	6.5	41,210	(52.9)	19,412
Debt securities in issue	201,937	(5.0)	191,750	(6.6)	179,114
Derivatives	79,505	(13.7)	68,636	(37.8)	42,713
Other ⁽⁵⁾	41,341 ⁽⁴⁾	(0.8)	41,021	3.1	42,276
Liabilities held for sale ⁽³⁾	—	—	4,888	n.a.	26,031
Total liabilities	615,836	(5.3)	583,249	(6.0)	548,296
Total equity	31,032	4.4	32,410	2.8	33,316
of which additional tier 1 capital holders	—	n.a.	—	n.a.	750
of which non-controlling interests	1	0.0	1	n.a.	168
Total liabilities and equity	646,868	(4.8)	615,659	(5.5)	581,612

- (1) As discussed in more detail above under “—Results of Operations—Introduction—Reclassifications and Restatements—Pooled Schemes and Unit-linked Investment Contracts”, the Nordea Group reclassified in 2016 certain interest-bearing securities and shares to the separate balance sheet line “assets in pooled schemes and unit-linked investment contracts” in order to disclose them separately from assets for which the Nordea Group bears the investment risk. Due to this reclassification, the Nordea Group restated the comparative figures for “loans to credit institutions”, “interest-bearing securities”, “shares”, “investment properties” and “other assets” as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures as of 31 December 2015 presented herein are unaudited. The corresponding audited non-restated figure as of 31 December 2015 is EUR 10,959 million for loans to credit institutions, EUR 88,176 million for interest-bearing securities, EUR 40,745 million for shares and EUR 28,262 million for other (that, as defined for the purposes of the above table, includes investment properties that decreased by EUR 111 million and other assets that decreased by EUR 13 million due to the restatement).
- (2) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, investments in associated undertakings and joint ventures, intangible assets, properties and equipment, investment properties, deferred tax assets, current tax assets, retirement benefit assets, prepaid expenses and accrued income, and other assets, which includes claims on securities settlement proceeds, cash/margin receivables and other.
- (3) Assets and liabilities held for sale as of 31 December 2017 relate to Nordea's decision to sell additional 45 per cent of the shares in Danish Nordea Liv & Pension Livsforsikringselskab A/S. Assets and liabilities held for sale as of 31 December 2016 consist of the Nordea Group's Baltic operations and lending to retail customers in Russia. Assets and liabilities related to the disposal groups are presented on the separate balance sheet lines “assets held for sale” and “liabilities held for sale”, respectively, as from the classification date. For more information, see “—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale” above and “Note G42” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.
- (4) As a result of the accounting policy changes discussed in footnote (1) above, the Nordea Group reclassified in 2016 the liabilities corresponding to assets in pooled schemes and unit-linked investment contracts to the separate balance sheet line “deposits in pooled schemes and unit-linked investment contracts” given that these liabilities behave differently than the normal deposits received from customers. Due to this reclassification, the Nordea Group restated the comparative figures for “deposits and borrowings from the public”, “liabilities to policyholders” and “other” liabilities as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The restated figures as of 31 December 2015 presented herein are unaudited. The corresponding audited non-restated figure as of 31 December 2015 is EUR 193,342 million for deposits and borrowings from the public, EUR 55,491 million for liabilities to policyholders and EUR 41,352 million for other (that, as defined for the purposes of the above table, includes other liabilities that decreased by EUR 11 million due to the restatement).
- (5) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, current tax liabilities, accrued expenses and prepaid income, deferred tax liabilities, provisions, retirement benefit obligations, subordinated liabilities, and other liabilities, which includes liabilities on securities settlement proceeds, sold, not held, securities, accounts payable, cash/margin payables and other.
- (6) Indicates percentage change from 31 December 2015 to 31 December 2016 and from 31 December 2016 to 31 December 2017, respectively.

For a further analysis of certain items of the Nordea Group's balance sheet, see “Selected Statistical Data and Other Information”.

Total Assets

As of 31 December 2017, total assets of the Nordea Group were EUR 582 billion, a decrease of EUR 34 billion, or 5.5 per cent, compared to EUR 616 billion as of 31 December 2016. The decrease in total assets was mainly attributable to a 34.1 per cent decrease in derivatives reflecting increases in long-term interest rates and changes in foreign exchange rates which decreased the net present values of interest rate derivatives and foreign exchange swaps. Derivatives with total positive fair values, including any accrued interest, are recognised as assets. For nominal values of these contracts, see “Note G18” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus. A 14.1 per cent decrease in interest-bearing securities

as well as decreases of 2.4 per cent in loans to the public and 34.4 per cent in other assets also contributed to the decrease in total assets. The overall effect of changes in currency exchange rates resulted in a decrease in the Nordea Group's assets as of 31 December 2017 compared to 31 December 2016.

As of 31 December 2016, total assets of the Nordea Group were EUR 616 billion, a decrease of EUR 31 billion, or 4.8 per cent, compared to EUR 647 billion as of 31 December 2015. The decrease in total assets was mainly attributable to a 6.8 per cent decrease in loans to the public, driven primarily by repurchase agreements and the exclusion of the loans of the Nordea Group's Baltic operations of EUR 8.3 billion reported as assets held for sale as of 31 December 2016, and a 13.4 per cent decrease in derivatives reflecting an increase in long-term interest rates and in foreign exchange swaps. For nominal values of derivatives contracts, see "Note G18" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus. A 9.6 per cent decrease in cash and balances with central banks and a 38.8 per cent decrease in financial instruments pledged as collateral contributed to the decrease in total assets. Assets in pooled schemes and unit-linked investment contracts increased by 13.1 per cent, partially offsetting the overall decrease in total assets. The Nordea Group's assets held for sale, consisting of the Nordea Group's Baltic operations and lending to retail customers in Russia, were EUR 9 billion as of 31 December 2016. The Nordea Group did not have any assets held for sale as of 31 December 2015. The euro strengthened against the Swedish krona and weakened against the Norwegian krone and against the Russian rouble in 2016. It was largely unchanged against the Danish krone. The overall effect of changes in currency exchange rates resulted in a decrease in the Nordea Group's assets as of 31 December 2016 compared to 31 December 2015.

Total Liabilities

As of 31 December 2017, total liabilities of the Nordea Group were EUR 548 billion, a decrease of EUR 35 billion, or 6.0 per cent, compared to EUR 583 billion as of 31 December 2016. The decrease in total liabilities was primarily driven by a decrease of 37.8 per cent in derivatives reflecting increases in long-term interest rates and changes in foreign exchange rates which decreased the net present values of interest rate derivatives and foreign exchange swaps as well as a 52.9 per cent decrease in liabilities to policyholders, driven by the classification of liabilities related to Nordea Liv & Pension Livsforsikringsselskab A/S as liabilities held for sale. For nominal values of these contracts, see "Note G18" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus. A 6.6 per cent decrease in debt securities in issue also contributed to the decrease in total liabilities. The overall effect of changes in currency exchange rates resulted in a decrease in the Nordea Group's liabilities as of 31 December 2017 compared to 31 December 2016.

As of 31 December 2016, total liabilities of the Nordea Group were EUR 583 billion, a decrease of EUR 33 billion, or 5.3 per cent, compared to EUR 616 billion as of 31 December 2015. The decrease in total liabilities was primarily driven by a 7.9 per cent decrease in deposits and borrowings from the public, driven primarily by repurchase agreements, and a 13.7 per cent decrease in derivatives reflecting an increase in long-term interest rates and in foreign exchange swaps. Derivatives with total negative fair values, including any accrued interest, are recognised as liabilities. For nominal values of derivatives contracts, see "Note G18" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus. A decrease of 5.0 per cent in debt securities in issue and decrease of 13.7 per cent in deposits by credit institutions contributed to the overall decrease in liabilities, which was partially offset by a 6.5 per cent increase in liabilities to policyholders and an 11.8 per cent increase in deposits in pooled schemes and unit-linked investment contracts. The Nordea Group's liabilities held for sale, consisting of the Nordea Group's Baltic operations, were EUR 5 billion as of 31 December 2016. The Nordea Group did not have any liabilities held for sale as of 31 December 2015. The overall effect of changes in currency exchange rates resulted in a decrease in the Nordea Group's liabilities as of 31 December 2016 compared to 31 December 2015.

Total Equity

As of 31 December 2017, total equity of the Nordea Group amounted to EUR 33,316 million, an increase of EUR 906 million, or 2.8 per cent, compared to total equity of EUR 32,410 million as of 31 December 2016. The increase in total equity in 2017 resulted mainly from net profit for the year ended 31 December 2017 attributable to shareholders of Nordea of EUR 3,084 million, partially offset by dividends paid of EUR 2,625 million.

As of 31 December 2016, total equity of the Nordea Group amounted to EUR 32,410 million, an increase of EUR 1,378 million, or 4.4 per cent, compared to total equity of EUR 31,032 million as of 31 December 2015. The increase in total equity in 2016 resulted mainly from net profit for the year attributable to shareholders of Nordea of EUR 3,766 million, partially offset by dividends paid of EUR 2,584 million.

Nordea

The following table sets forth the principal items of Nordea's balance sheet on a nonconsolidated basis as of 31 December 2015, 2016 and 2017:

	As of 31 December				
	2015 (EUR million)	Change ⁽³⁾ (per cent)	2016 (EUR million)	Change ⁽³⁾ (per cent)	2017 (EUR million)
Cash and balances with central banks.....	75	34.7	101	n.a.	42,637
Treasury bills.....	6,905	(4.7)	6,583	105.0	13,493
Loans to credit institutions.....	90,009	(1.8)	88,375	(32.4)	59,765
Loans to the public.....	45,820	(4.6)	43,726	n.a.	152,739
Interest-bearing securities.....	12,163	(14.8)	10,359	n.a.	47,950
Financial instruments pledged as collateral.....	0	0.0	0	n.a.	12,430
Shares.....	2,363	(94.5)	130	n.a.	7,883
Derivatives.....	5,011	(6.8)	4,668	n.a.	47,688
Other ⁽¹⁾	<u>25,828</u>	5.8	<u>27,320</u>	20.6	<u>32,957</u>
Total assets	<u>188,173</u>	(3.7)	<u>181,262</u>	130.4	<u>417,542</u>
Deposits by credit institutions.....	19,069	6.8	20,374	153.9	51,735
Deposits and borrowings from the public.....	61,043	(4.7)	58,183	n.a.	176,231
Debt securities in issue.....	68,908	(8.3)	63,162	14.7	72,460
Derivatives.....	4,180	(13.6)	3,612	n.a.	46,118
Other ⁽²⁾	<u>14,893</u>	4.2	<u>15,519</u>	160.7	<u>40,460</u>
Total liabilities	<u>168,093</u>	(4.3)	<u>160,850</u>	140.6	<u>387,004</u>
Total equity	<u>20,078</u>	1.7	<u>20,410</u>	49.6	<u>30,538</u>
Total liabilities and equity	<u>188,173</u>	(3.7)	<u>181,262</u>	130.4	<u>417,542</u>

(1) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, investments in group undertakings, investments in associated undertakings and joint ventures, participating interest in other companies, intangible assets, properties and equipment, deferred tax assets, current tax assets, retirement benefit assets, prepaid expenses and accrued income, and other assets, which includes claims on securities settlement proceeds, cash/margin receivables, anticipated dividends from group undertakings, group contribution and other.

(2) Comprised of fair value changes of the hedged items in portfolio hedge of interest rate risk, current tax liabilities, accrued expenses and prepaid income, deferred tax liabilities, provisions, retirement benefit obligation, subordinated liabilities, and other liabilities, which includes liabilities on securities settlement proceeds, sold, not held, securities, accounts payable, cash/margin payables and other.

(3) Indicates percentage change from 31 December 2015 to 31 December 2016 and from 31 December 2016 to 31 December 2017, respectively.

On 2 January 2017, Nordea Sweden merged with Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA (*i.e.*, the 2017 Subsidiary Mergers discussed above under “*Description of the Nordea Group—Legal Structure—Nordea Group*”) and recognised the assets and liabilities and income statement as of 1 January 2017 of its former subsidiaries that have become branches of Nordea. For a balance sheet of Nordea Sweden as of 31 December 2016 prepared to illustrate the effect the 2017 Subsidiary Mergers would have had on the balance sheet of Nordea Sweden had the 2017 Subsidiary Mergers been completed as of 31 December 2016, see “*Note P20*” to the audited financial statements of Nordea for the years ended and as of 31 December 2016.

Total Assets

As of 31 December 2017, total assets of Nordea were EUR 418 billion, an increase of EUR 236 billion, as compared to EUR 181 billion as of 31 December 2016. The increase in total assets was primarily driven by the 2017 Subsidiary Mergers.

As of 31 December 2016, total assets of Nordea were EUR 181 billion, a decrease of EUR 7 billion, or 3.7 per cent, as compared to EUR 188 billion as of 31 December 2015. The decrease in total assets was primarily driven by a 94.5 per cent decrease in shares, a 4.6 per cent decrease in loans to the public and a 1.8 per cent decrease in loans to credit institutions.

Total Liabilities

As of 31 December 2017, total liabilities of Nordea were EUR 387 billion, an increase of EUR 226 billion, as compared to EUR 161 billion as of 31 December 2016. The increase in total liabilities was primarily driven by the 2017 Subsidiary Mergers.

As of 31 December 2016, total liabilities of Nordea were EUR 161 billion, a decrease of EUR 7 billion, or 4.3 per cent, as compared to EUR 168 billion as of 31 December 2015. The decrease in total liabilities was primarily driven by an 8.3 per cent decrease in debt securities in issue and a 4.7 per cent decrease in deposits and borrowings from the public, partially offset by a 6.8 per cent increase in deposits by credit institutions.

Total Equity

As of 31 December 2017, total equity of Nordea amounted to EUR 30,538 million, an increase of EUR 10,128 million, or 49.6 per cent, as compared to total equity of EUR 20,410 million as of 31 December 2016. The increase in total equity resulted mainly from the 2017 Subsidiary Mergers.

As of 31 December 2016, total equity of Nordea amounted to EUR 20,410 million, an increase of EUR 332 million, or 1.7 per cent, as compared to total equity of EUR 20,078 million as of 31 December 2015. The increase in total equity resulted mainly from net profit for the year ended 31 December 2016 of EUR 2,900 million, partially offset by dividends paid of EUR 2,584 million.

Capital Contributions and Guarantees to Subsidiaries

Nordea's capital contributions in 2017 amounted to EUR 303 million, compared to capital contributions of EUR 523 million in 2016 and EUR 2,754 million in 2015. The capital contributions in each of 2017, 2016 and 2015 related primarily to normal course of business contributions within the Nordea Group.

Nordea has issued a guarantee in favour of its Russian subsidiary JSC Nordea Bank, under which Nordea guarantees specified exposures in JSC Nordea Bank. As of 31 December 2017, the guarantees covered exposures amounting to EUR 1 billion. See "Note P37" to the audited financial statements of Nordea for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Off-Balance Sheet

In the ordinary course of its business, the Nordea Group issues various forms of guarantees and credit commitments in favour of its customers and enters into derivatives transactions largely for risk management purposes on standardised terms and conditions with off-balance sheet risk. See "Note G36" and "Note G37" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Capital Adequacy

The Nordea Group needs to keep sufficient capital to cover all risks taken (required capital) over a foreseeable future. In order to do this, the Nordea Group strives to attain efficient use of capital through active management of the balance sheet with respect to different asset, liability and risk categories.

The Nordea Group uses a variety of capital measurements and capital ratios to manage its capital. The Nordea Group calculates its regulatory capital requirements under the CRD IV/CRR framework. The Nordea Group is approved by the financial supervisory authorities to use the internal ratings-based ("IRB") approach when calculating the capital requirements for the main part of its credit portfolio. The Nordea Group uses the Advanced IRB approach for corporate lending in the Nordic countries and in the International Units. The Retail IRB approach is used for the Nordic retail exposure classes and mortgage companies as well as for the Finnish finance company. The Foundation IRB approach is used in the Nordic countries for institutional and sovereign lending, for all exposures in the other Nordic finance companies, Nordea Bank Russia and the Baltic branches as well as derivative and securities lending procedure. Nordea uses the standardised approach to calculate risk exposure amount (REA) for exposures to equities in the banking book. Acquisitions of new portfolios are treated under the standardised approach until they are approved for the IRB approach by the relevant financial supervisory authority. As of 31 December 2017, 86 per cent of the Nordea Group's credit risk exposure amount (REA) was covered by IRB approaches. The Nordea Group is also approved to use its own internal Value-at-Risk ("VaR") models to calculate capital requirements for the major parts of the market risk in the trading books.

The Nordea Group's common equity tier 1 (CET1) capital was strengthened in 2017 through profit and continued focus on capital management. Nordea also issued EUR 750 million additional tier 1 notes in November 2017, which strengthened the total capital ratio by 60 basis points as compared to 31 December 2016. The Nordea Group's common equity tier 1 (CET1) capital ratio was 19.5 per cent as of 31 December 2017, compared to 18.4 per cent and 16.5 per cent as of 31 December 2016 and 2015, respectively.

In the third quarter of 2016, Nordea entered into a synthetic securitisation transaction trade related to EUR 8.4 billion of the Nordea Group's loans as originator of a portfolio with corporate and small and medium-sized enterprise loans in Sweden and Denmark. The risk transfer was performed through a collateralised credit default swap ("CDS") structure. No assets were derecognised from Nordea Group's balance sheet and the Nordea Group continues to service the loans. Investors are responsible for a pre-agreed amount of incurred credit losses of the reference portfolio. The transaction was reported as a synthetic securitisation as from the third quarter of 2016 and improved Nordea Group's common equity tier 1 (CET1) capital ratio by approximately 30 basis points.

The following table sets forth the Nordea Group's capital ratios and risk exposure amount (REA) as of the dates indicated:

	As of 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Common equity tier 1 (CET1) capital, net after deduction	23,575	24,538	24,515
Common equity tier 1 (CET1) capital ratio, excluding Basel I floor, per cent	16.5	18.4	19.5
Tier 1 capital, net after deduction	26,516	27,555	28,008
Tier 1 capital ratio, excluding Basel I floor, per cent	18.5	20.7	22.3
Own funds, net after deduction	30,900	32,904	31,747 ⁽¹⁾
Total capital ratio, excluding Basel I floor, per cent.....	21.6	24.7	25.2
Tier 2 capital, before regulatory adjustments	5,940	6,541	4,903
Risk exposure amount (REA), excluding Basel I floor, EUR billion.....	143	133	126
REA			
Credit risk	116,978	107,512	102,743
IRB	103,717	93,958	88,808
of which sovereign	–	–	1,869
of which corporate	70,371	62,212	57,004
of which institutions	8,526	7,144	6,163
of which retail	22,520	21,933	20,888
of which items representing securitisation positions	–	828	850
of which other	2,300	1,841	2,034
Standardised	13,261	13,554	13,935
of which sovereign	773	657	291
of which institutions	282	498	171
of which corporate	2,109	2,159	3,264
of which retail	3,137	3,223	3,225
of which other	6,960	7,017	6,984
Credit value adjustment risk	1,751	1,798	1,207
Market risk	6,534	4,474	3,520
of which trading book, internal approach	2,990	2,942	2,444
of which trading book, standardised approach.....	1,209	928	1,076
of which banking book, standardised approach	2,335	604	–
Operational risk (standardised)	17,031	16,873	16,809
Additional risk exposure amount, Article 3 CRR	1,000	2,500	1,500
Subtotal	143,294	133,157	125,779
Additional capital requirement according to Basel I floor	78,533	82,655	76,645
Total	221,827	215,812	202,424

(1) Own funds adjusted for IRB provision (i.e., adjusted own funds equalling EUR 31,943 million by 31 December 2017).

The following table sets forth Nordea's capital ratios and risk exposure amount (REA) on a nonconsolidated basis as of the dates indicated:

	As of 31 December		
	2015	2016	2017
	(EUR million, unless otherwise indicated)		
Common equity tier 1 (CET1) capital, net after deduction	16,373	16,150	24,316
Common equity tier 1 (CET1) capital ratio, excluding Basel I floor, per cent	18.8	18.6	18.6
Tier 1 capital, net after deduction	19,314	19,167	27,809
Tier 1 capital ratio, excluding Basel I floor, per cent	22.2	22.0	21.3
Own funds, net after deduction	23,549	24,304	31,511
Total capital ratio, excluding Basel I floor, per cent	27.1	27.9	24.1
Tier 2 capital, before regulatory adjustments	5,686	6,277	4,903
Risk exposure amount (REA), excluding Basel I floor, EUR billion	87	87	137
REA			
Credit risk	79,328	76,502	103,656
IRB	35,613	31,061	73,553
of which sovereign	–	–	1,759
of which corporate	29,584	25,772	52,127
of which institutions	3,195	3,054	6,379
of which retail	1,562	1,512	11,942
of which other	1,272	723	1,346
Standardised	43,715	45,441	30,103
of which sovereign	86	85	209
of which institutions	15,986	15,641	7,259
of which corporate	529	1,707	4,035
of which retail	324	231	42
of which other	26,790	27,777	18,558
Credit value adjustment risk	156	195	1,182
Market risk	2,623	5,628	11,831
of which trading book, internal approach	288	165	2,444
of which trading book, standardised approach	–	–	1,179
of which banking book, standardised approach	2,335	5,463	8,208
Operational risk (standardised)	4,730	4,614	13,961
Additional risk exposure amount, Article 3 CRR	195	102	–
Subtotal	87,032	87,041	130,630
Additional capital requirement according to Basel I floor	–	–	6,720
Total	87,032	87,041	137,350

See also “Capitalisation and Indebtedness”, “Risk Management—Capital Management”, “Supervision and Regulation—Capital Adequacy, Liquidity and Leverage” and “Note G38” to the audited consolidated financial statements of the Nordea Group and “Note P39” to the audited financial statements of Nordea for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

The outcome of the SREP undertaken by the EU Supervisory College and communicated in September 2017 indicated that the Nordea Group's common equity tier 1 (CET1) requirement as of the third quarter of 2017 was 17.4 per cent. The combined buffer requirement consists of a 3 per cent systemic risk buffer, a 2.5 per cent capital conservation buffer and a countercyclical buffer of approximately 0.6 per cent. The countercyclical buffer is expected to increase to approximately 0.7 per cent as of 31 December 2017 after the planned increase in the countercyclical buffer rates in Norway in the fourth quarter of 2017. The pillar 2 other part consists of the SFSA standardised benchmark models for pillar 2 risks as well as other pillar 2 add-ons as a result of the SREP. The final capital requirement for 2018 will depend on the outcome of the 2018 SREP, which Nordea expects to be communicated in September 2018.

The pillar 2 add-ons, including risk weight floors, do not affect the MDA level at which automatic restrictions on distributions linked to the combined buffer requirement would come into effect. A formal decision on pillar 2 has not been made. The SFSA has specifically stated that it intends to continue its practice of, in normal situations, not making a formal decision about the capital requirement under pillar 2. As of the date of this Prospectus, the MDA restrictions engage at a level of approximately 10.6 per cent.

Following the completion of the re-domiciliation and Merger, Nordea expects, similar to all other SSM-supervised banks, to be allocated pillar 2 add-ons that are split between a pillar 2 requirement and pillar 2 guidance. The level of both of these add-ons will be communicated by the ECB and the FFSA as part of the formal SREP process that is expected to be undertaken after the completion of the re-domiciliation and Merger. Currently, the SFSA's pillar 2 add-ons do not affect the MDA level at which automatic restrictions linked to the combined buffer requirement would come into effect as the pillar 2 add-ons are not formally decided upon. However, for SSM-supervised banks the combined buffer requirement will be applied above the pillar 1 “own funds” and the decided pillar 2 requirement (but not above any pillar 2 guidance). Accordingly, the Nordea Group's current assessment is that the MDA restriction point is expected to move upwards as a consequence of the Merger as part of the current pillar 2 add-ons are expected to become a formally decided pillar 2 requirement. Such increase would, in turn, decrease the buffer to MDA. Following the completion of the Merger, the

Nordea Group's intention is to continue to maintain a strong buffer to MDA. See also "Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—The Nordea Group is subject to extensive regulation that is subject to change" and "—CRD IV introduces capital requirements that are in addition to the minimum capital ratio".

Liquidity and Capital Resources

Nordea views that liquidity risk is the risk that the Nordea Group is unable to service its cash flow obligations when they fall due or unable to meet its cash flow obligations without incurring significant additional funding costs. See "Risk Management—Liquidity Management". The Nordea Group is exposed to liquidity risk in its lending, investment, funding, off-balance sheet exposures and other activities which result in a negative cash flow mismatch. Nordea demonstrates a conservative attitude towards liquidity risk management and strives to diversify its sources of funding, and accordingly seeks to establish and maintain relationships with investors in order to manage the market access in difficult market conditions.

Nordea is of the opinion that the Group's working capital (*i.e.*, its ability to access cash and other available liquid resources) is sufficient for it to meet its liabilities as they become due for a period of 12 months after the date of this Prospectus.

Sources of Funding

Overview

The Nordea Group's funding structure is based on customer deposits, primarily in the Nordic markets, and a variety of funding programmes. The Nordea Group's short-term funding programmes include commercial paper programmes and certificates of deposit. The Nordea Group's long-term funding is dominated by issuance of covered bonds out of its four mortgage issuance platforms, Nordea Hypotek AB in Sweden, Nordea Kredit Realkreditaktieselskab in Denmark, Nordea Eiendomskreditt AS in Norway and Nordea Mortgage Bank Plc in Finland, which was established in 2016 to continue the covered bond operations conducted by Nordea Bank Finland Plc. In addition to covered bonds, Nordea has historically focused its senior debt issuance out of its Euro Medium Term Note ("EMTN") and other Medium-Term Note ("MTN") programmes (such as Nordea's Global Medium-Term Note Program), which also provide for the opportunity of issuance of subordinated debt and additional tier 1 securities. The EMTN and MTN programmes are multi-currency programmes allowing issuance in the currencies specified. This is to allow for currency risk management and funding flexibility. In 2017, the total amount of new and extended long-term funding (excluding subordinated notes and Danish covered bonds) obtained by the Nordea Group was EUR 14.6 billion, of which EUR 6.2 billion represented issuance of Swedish, Norwegian and Finnish covered bonds in domestic and international markets, as compared to EUR 23 billion in 2016 and EUR 25 billion in 2015. As of 31 December 2017, the total volume under long-term programmes was EUR 152.9 billion with an average maturity of 6.2 years, compared to EUR 154.9 billion and 6.0 years, respectively, as of 31 December 2016. The volume of the Nordea Group's short-term funding programmes decreased by EUR 1.7 billion in 2017 and totalled EUR 35.2 billion as of 31 December 2017.

The following table sets forth the Nordea Group's long and short-term funding sources as of 31 December 2017:

As of 31 December 2017			
	Typical interest rate base	Average maturity (years)	Amount (EUR million)
Deposits by credit institutions			
Shorter than three months	Euribor etc.	0.0	35,589
Longer than three months	Euribor etc.	2.3	4,394
Deposits and borrowings from the public			
Deposits on demand	Administrative	0.0	140,873
Other deposits	Euribor etc.	0.1	31,561
Debt securities in issue			
Certificates of deposits	Euribor etc.	0.3	10,743
Commercial papers	Euribor etc.	0.2	24,441
Mortgage covered bonds	Fixed rate, market-based	7.3	106,714
Other bonds	Fixed rate, market-based	3.0	37,216
Derivatives		n.a.	42,713
Other non-interest bearing items		n.a.	85,654
Subordinated debentures			
Dated subordinated debenture loans	Fixed rate, market-based	4.9	5,942
Undated and other subordinated debenture loans	Fixed rate, market-based	n.a.	3,045
Equity			33,316
Total (total liabilities and equity)			562,201
Liabilities to policyholders			19,412
Total (total liabilities and equity) including Life insurance operations			518,612

The maturity profile of the Nordea Group's assets and liabilities, including its debt securities in issue and subordinated liabilities, is set forth in "Note G44" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Deposits and Borrowings from the Public

The Nordea Group has a well-diversified base of household and corporate deposits, primarily in the Nordic markets, in which the Nordea Group conducts the majority of its banking operations, as well as in Russia.

As of 31 December 2017, the Nordea Group's total deposits and borrowings from the public amounted to EUR 172.4 billion compared to EUR 174.0 billion as of 31 December 2016. Deposits and borrowings from the public in Denmark, Finland, Norway and Sweden represented 22.4 per cent, 24.5 per cent, 13.6 per cent and 33.0 per cent, respectively, of total deposits and borrowings from the public as of 31 December 2017, and deposits and borrowings from the public in Russia represented a total of 0.4 per cent of total deposits and borrowings.

As of 31 December 2016, the Nordea Group's total deposits and borrowings from the public amounted to EUR 174.0 billion compared to EUR 189.0 billion as of 31 December 2015. Deposits and borrowings from the public of Nordea Bank Danmark A/S, Nordea Bank Finland Plc, Nordea Bank Norge ASA and Nordea Sweden represented 21.1 per cent, 31.8 per cent, 15.1 per cent and 30.0 per cent, respectively, of total deposits and borrowings from the public as of 31 December 2016, and deposits and borrowings from the public in Russia represented a total of 0.4 per cent of total deposits and borrowings. For a discussion of Nordea's former subsidiaries Nordea Bank Danmark A/S, Nordea Bank Finland Plc and Nordea Bank Norge ASA and their merging with Nordea Sweden on 2 January 2017, see "*Description of the Nordea Group—Legal Structure—Nordea Group*".

As of 31 December 2015, the Nordea Group's total deposits and borrowings from the public amounted to EUR 193.3 billion (not restated to reflect the reclassifications discussed under "*—Results of Operations—Introduction—Reclassifications and Restatements—Pooled Schemes and Unit-linked Investment Contracts*" above). Deposits and borrowings from the public of Nordea Bank Danmark A/S, Nordea Bank Finland Plc, Nordea Bank Norge ASA and Nordea Sweden represented 22.0 per cent, 32.1 per cent, 13.0 per cent and 29.3 per cent, respectively, of total deposits and borrowings from the public as of 31 December 2015, and deposits and borrowings from the public in Russia represented a total of 0.3 per cent of total deposits and borrowings. Deposits in the Baltic countries amounted to 2.3 per cent (Estonia 0.8 per cent, Latvia 0.8 per cent and Lithuania 0.7 per cent) as of the same date.

Commercial Paper and Certificates of Deposit

The Nordea Group utilises commercial paper programmes and certificates of deposits as a source of short-term funding. The Nordea Group's current programmes include U.S., European, French and domestic commercial paper programmes and certificates of deposit.

Covered Bonds

Issuance of covered bonds represents a significant portion of the Nordea Group's long-term funding. Covered bonds secured by mortgage assets are the main funding source for the Nordea Group's mortgage lending operations. Historically, the Nordea Group has issued covered bonds primarily out of its two mortgage companies, Nordea Hypotek AB (publ) and Nordea Kredit Realkreditaktieselskab, in the domestic covered bond markets in Sweden and Denmark. In 2010, Nordea Bank Finland Plc established a Finnish covered bond programme which, as from 1 October 2016, has been operated by Nordea Mortgage Bank Plc. Nordea Eiendomskreditt AS has an EMTN covered bond program. Nordea Eiendomskreditt AS also issues covered bonds in the domestic covered bond market in Norway. Covered bonds have provided the Nordea Group with commercially attractive and secure funding during the recent periods of significant market volatility. The covered bonds of Nordea Hypotek AB (publ) and Nordea Kredit Realkreditaktieselskab are rated Aaa and AAA by Moody's and Standard & Poor's, respectively, while the covered bonds of Nordea Mortgage Bank Plc and Nordea Eiendomskreditt AS are rated Aaa by Moody's.

Unsecured Bonds

Long-term unsecured debt has primarily been issued under Nordea's various EMTN and MTN programmes. Despite the sometimes challenging market conditions following the financial crisis, Nordea has maintained the capacity to issue unsecured debt at competitive terms. In 2015, Nordea's issuances included EUR 1.0 billion fixed rate 10-year senior unsecured notes in February 2015, USD 550 million fixed rate perpetual six-year non-call additional tier 1 notes, NOK 1.25 billion floating rate perpetual five-year non-call additional tier 1 notes and SEK 2.25 billion floating rate perpetual five-year non-call additional tier 1 notes in March 2015, a JPY 82 billion Samurai bond in two tranches, EUR 750 million five-year senior notes, CHF 200 million 10-year senior notes and GBP 300 million seven-year senior notes in June 2015, USD 2.25 billion fixed and floating rate senior notes in three tranches and a CHF 100 million 10-year senior notes in September 2015, and CHF 275 million eight-year senior notes and EUR 750 million 10-year non-call five-year tier 2 notes in November 2015. Representative transactions in 2016 included EUR 2 billion dual tranche fixed

and floating rate senior notes in February 2016, USD 1.5 billion fixed and floating rate senior notes in two tranches in May 2016 and USD 1.0 billion dual tranche fixed and floating rate senior notes and EUR 1 billion 10-year non-call five-year tier 2 subordinated notes in September 2016. In 2017, Nordea's issuances included USD 1.75 billion dual tranche fixed and floating rate senior notes in May 2017, SEK 4 billion dual tranche fixed and floating rate senior notes in June 2017, an inaugural EUR 500 million green bond in June 2017, EUR 2 billion dual tranche senior notes in September 2017 and EUR 750 million perpetual non-call March 2025 additional tier 1 notes in November 2017.

The Nordea Group issues various forms of subordinated notes for tier 1 and total capital ratio management purposes. See "Note G33" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus and "Capitalisation and Indebtedness".

Ratings

As of the date of this Prospectus, Nordea Sweden and its subsidiaries have been assigned ratings by Moody's, Standard & Poor's and Fitch as set forth in the following table:

	Moody's		Standard & Poor's		Fitch	
	Short	Long	Short	Long	Short	Long
Nordea Bank AB (publ)	P-1	Aa3	A-1+	AA-	F1+	AA-
Nordea Hypotek AB (publ)	–	Aaa ⁽¹⁾	–	AAA ⁽¹⁾	–	–
Nordea Kredit Realkreditaktieselskab	–	Aaa ⁽¹⁾	–	AAA ⁽¹⁾	–	–
Nordea Eiendomskreditt AS	–	Aaa ⁽¹⁾	–	–	–	–
Nordea Mortgage Bank Plc	–	Aaa ⁽¹⁾	–	–	–	–

(1) Covered bond rating.

The ratings set forth above are accurate only as of the date of this Prospectus and are subject to change at any time. A rating only reflects the views of the relevant rating agency and is not a recommendation to buy, sell or hold any securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Each of Moody's, Standard & Poor's and Fitch is established in the EU and is registered under Regulation (EC) No. 1060/2009, as amended (the "CRA Regulation"), and is included in the list of credit rating agencies registered in accordance with the CRA Regulation as of the date of this Prospectus.

Cash Flows

The following table sets forth the composition of the Nordea Group's cash flow for the periods indicated:

	For the year ended 31 December		
	2015	2016	2017
		(EUR million)	
Cash flow from operating activities	196	3,280	12,274
Cash flow from investing activities	(522)	(934)	(1,499)
Cash flow from financing activities	(1,746)	(1,553)	(2,637)
Cash flow for the period	(2,072)	793	8,138
Cash and cash equivalents at the beginning of the period	39,683	40,200	41,860
Translation difference	2,589	867	(3,785)
Cash and cash equivalents at the end of period	<u>40,200</u>	<u>41,860</u>	<u>46,213</u>
Change	(2,072)	793	8,138

Operating Activities

The Nordea Group's cash flow from operating activities is derived from the operating profit for the year, adjusted for items not included in cash flow and income taxes paid. Adjustments for items not included in cash flow include items such as loan losses, unrealised gains and losses, capital gains and losses, depreciation and impairment charges. Cash flow from operating activities is presented after changes in operating assets and liabilities. Operating assets and liabilities consist of assets and liabilities that are part of the Nordea Group's normal business activities, such as loans and receivables, deposits and debt securities in issue and which are not attributable to investing and financing activities. Cash flow from operating activities also includes interest payments received and interest expenses paid.

Cash flow from operating activities included interest payments received of EUR 7,748 million in 2017, as compared to EUR 7,649 million in 2016 and EUR 8,810 million in 2015. Interest expenses paid in 2017 were EUR 3,475 million, as compared to EUR 3,198 million in 2016 and EUR 3,473 million in 2015. Cash flow from operating activities was EUR 12,274 million in 2017, as compared to cash flow from operating activities of EUR 3,280 million in 2016. The change was primarily due to a change in operating liabilities, in particular deposits by credit institutions. Cash flow from operating activities was EUR 3,280 million in 2016, as compared to cash flow from operating activities EUR 196 million in 2015. The change was primarily due to a change in operating assets, in particular in loans to central banks, in loans to the public and in shares.

Investing Activities

Investing activities include acquisitions and divestments of non-current assets, such as property and equipment as well as intangible and financial assets. Aggregated cash flow from the acquisition and sale of business operations are presented separately.

In 2017, cash flow used in investing activities was EUR 1,499 million, primarily attributable to investments in associated undertakings and joint ventures of EUR 957 million, which reflected Nordea's investment in Luminor, and investments in intangible assets of EUR 642 million, partially offset by sale of business operations of EUR 228 million. In 2016, cash flow used in investing activities was EUR 934 million, primarily attributable to acquisition of intangible assets of EUR 658 million, net divestments in debt securities, held to maturity, of EUR 360 million and acquisition of property and equipment of EUR 124 million, partially offset by cash flow from sale of associated undertakings of EUR 134 million. Cash flow used in investing activities was EUR 522 million in 2015, primarily attributable to acquisition of intangible assets of EUR 467 million, acquisition of property and equipment of EUR 162 million and cash flow used in investments in debt securities, held to maturity, of EUR 139 million, partially offset by cash flow from sale of business operations of EUR 175 million.

The Nordea Group's primary investments in each of 2015, 2016 and 2017 related to intangible IT assets and amounted to EUR 398 million, EUR 584 million and EUR 635 million, respectively. These investments focused in particular on Group-wide infrastructural platforms (a new core banking platform, a new payment platform and a common data warehouse), compliance and risk management and digital transformation. In 2017, the Nordea Group's primary investments also included Nordea's investment in Luminor. Nordea's principal investments that are in progress as of the date of this Prospectus continue to focus on Group-wide infrastructural platforms and are internally financed.

Financing Activities

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

In 2017, cash flow used in financing activities was EUR 2,637 million, primarily attributable to dividends paid to shareholders of EUR 2,625 million. Cash flow used in financing activities was EUR 1,553 million in 2016, primarily attributable to dividends paid to shareholders of EUR 2,584 million, partially offset by issued subordinated liabilities of EUR 1,000 million. In 2015, cash flow used in financing activities was EUR 1,746 million primarily attributable to dividends paid to shareholders of EUR 2,501 million and amortised subordinated liabilities of EUR 1,424 million, partially offset by issued subordinated liabilities of EUR 2,159 million.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash and balances with central banks as well as loans to central banks and credit institutions, which are payable on demand and not represented by bonds or other interest-bearing securities. In 2017, cash and cash equivalents, excluding translation difference, increased by EUR 11,923 million from 2016. Compared to 2015, cash and cash equivalents, excluding translation difference, decreased by EUR 74 million in 2016.

Contractual Obligations

The Nordea Group has various contractual obligations under which it is obligated to make future payments. The following table summarises the Nordea Group's contractual obligations as of 31 December 2017:

	As of 31 December 2017		
	Total	Less than 1 year (EUR million)	More than 1 year
Long-term debt obligations ⁽¹⁾	188,101	65,873	122,228
Deposit by credit institutions and deposits and borrowings from the public	212,417	184,144	28,273
Capital lease obligations.....	134	–	134
Operating lease obligations ⁽²⁾	978	163	815
Other long-term liabilities ⁽³⁾	19,693	2,097	17,596
Total	421,323	252,277	169,046

(1) Includes debt securities in issue and subordinated liabilities.

(2) Operating leases are future minimum obligations under operating leases. See "Note G2I" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

(3) Includes retirement benefit obligations and liabilities to policyholders. Non-current liabilities excluded from the table above consist of deferred taxes, derivatives and provisions. These items have been excluded due to significant uncertainties in future cash flow.

Retirement Benefit Obligations

The Nordea Group sponsors both defined contribution plans (“DCP”) and defined benefit plans (“DBP”). The major plans in each country are funded schemes covered by assets in pension funds/foundations. As of 31 December 2017, the Nordea Group’s net retirement benefit liability was EUR 31 million. For additional information on the Nordea Group’s retirement benefit obligations, see “*Note G32*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Critical Accounting Policies and Estimates

Certain accounting policies are considered to be particularly important to the financial position of the Nordea Group, since they require management to make difficult, complex or subjective judgments and estimates, the majority of which relate to matters that are inherently uncertain. These critical judgments and estimates are in particular associated with:

- the fair value measurement of certain financial instruments;
- the impairment testing of goodwill and loans to the public/credit institutions;
- the actuarial calculations of pension liabilities and plan assets related to employees;
- actuarial calculations of insurance contracts;
- valuation of deferred tax assets;
- valuation of investment properties; and
- classification of additional tier 1 instruments.

Estimates are based on past experience and assumptions that management believes are fair and reasonable. These estimates and the judgment behind them affect the reported amounts of assets, liabilities and off-balance sheet items, as well as income and expenses included in the Nordea Group’s financial statements. As a result of the use of such estimates and assumptions, the actual income may differ from the estimates and the assumptions made.

Fair Value Measurement

Critical judgments are exercised when determining fair value of “over-the-counter” (“OTC”) derivatives and other financial instruments that lack quoted prices or recently observed market prices. Critical judgments are required in the following areas:

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

In all of these instances, decisions are based upon professional judgment in accordance with the Nordea Group’s accounting and valuation policies. See “*Note G1—Section 11 (Determination of fair value of financial instruments)*” and “*Note G1—Section 13 (Financial instruments)*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus. More information on financial assets, the valuation of which required management to exercise judgment and make estimates to determine fair value, can be found in “*Note G40*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Impairment Testing

Goodwill

Goodwill is tested for impairment annually. Impairment testing is also performed more frequently if events or changes in circumstances indicate that it might be impaired. This consists of an analysis as to whether the carrying amount of goodwill is fully recoverable. The determination of the recoverable amount involves establishing the value in use, measured as the present value of the cash flows expected from the cash-generating unit, to which the goodwill has been allocated. The forecasts are based on the macroeconomic outlook, including information on GDP growth, inflation and benchmark rates for the relevant countries. Based on these forecasts, business areas project how forecasted margins,

volumes, sales and costs will develop the coming years. Credit losses are estimated using the long-term average for the different business areas. This results in an income statement for each year. The projected cash flow for each year is the forecasted net result in these income statements, reduced by the capital needed to grow the business in accordance with the long-term growth assumptions. The projections take into consideration any significant projects initiated within the Nordea Group, such as the re-domiciliation and the transformation program discussed in this Prospectus. There is also an allocation of central costs to business areas to make sure the cash flows for the cash-generating unit include all indirect costs. Tax costs are estimated based on the standard tax rate. Changes to any of these parameters, following changes in market conditions, competition, strategy or other, affects the forecasted cash flows and may result in impairment charges of goodwill. See “*Note G1—Section 16 (Intangible assets)*” and “*Note G20*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus. As of 31 December 2017, the Nordea Group’s goodwill amounted to EUR 1,994 million.

Loans to the Public/Credit Institutions

When testing individual loans for impairment, the most critical judgment, containing the highest uncertainty, relates to the estimation of the most probable future cash flows generated from the customer. When testing a group of loans collectively for impairment, the key aspect is to identify the events and/or the observable data that indicate that losses have been incurred in the group of loans. Assessing the present value of the cash flows generated by the customers in the group contains a high degree of uncertainty when using historical data and the acquired experience when adjusting the assumptions based on historical data to reflect the current situation. The collective impairment for a group of loans is based on the migration of rated and scored customers in the credit portfolio as well as management judgment. The assessment of collective impairment reacts to up- and down-ratings of customers as well as new customers and customers leaving the portfolio. See “*Note G1—Section 14 (Loans to the public/credit institutions)*” and “*Note G13*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Actuarial Calculations of Pension Liabilities and Plan Assets Related to Employees

The defined benefit obligation for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. A number of actuarial and financial parameters are used as bases for these calculations. The estimation of the discount rate is subject to uncertainty as to whether corporate bond markets are liquid enough and of sufficient high quality and also in connection with the extrapolation of yield curves to relevant maturities. In Sweden, Norway and Denmark, the discount rate is determined with reference to covered bonds and in Finland with reference to corporate bonds. Other parameters, like assumptions about salary increases and inflation, are based on the expected long-term development of these parameters and also subject to estimation uncertainty. As of 31 December 2017, the Nordea Group’s defined benefit obligation was EUR 3,454 million. See “*Note G1—Section 23 (Employee benefits)*” and “*Note G32*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Actuarial Calculations of Insurance Contracts

The valuation of insurance liabilities includes estimations and assumptions, both financial and actuarial. One of the important financial assumptions is the interest rate used for discounting future cash flows. Other important actuarial assumptions are those on mortality and disability, which affect the size and timing of the future cash flows. The financial and actuarial assumptions are, to a large extent, stipulated in local legislation and therefore not under Nordea’s discretion. Assumptions about future administrative and tax expenses also have an impact on the calculation of policyholder liabilities. See “*Note G1—Section 19 (Liabilities to policyholders)*” and “*Note G27*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Valuation of Deferred Tax Assets

The valuation of deferred tax assets is influenced by management’s assessment of the Nordea Group’s future profitability. This assessment is updated and reviewed at each balance sheet date, and is, if necessary, revised to reflect the current situation. See “*Note G1—Section 21 (Taxes)*” and “*Note G11*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Valuation of Investment Properties

Investment properties are measured at fair value as described in “*Note G1—Section 18 (Investment property)*” and “*Note G22*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus. As there normally are no active markets for investment properties, the fair values are estimated based on discounted cash flow models. These models are based on assumptions on future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates.

Classification of Additional Tier 1 Instruments

Nordea has issued perpetual subordinated instruments where the interest payments to the holders are at the discretion of Nordea and non-accumulating. Some of these instruments also include a requirement for Nordea to pay interest if the instruments are no longer allowed to be included in its tier 1 capital. If there is a requirement to pay interest based on the occurrence or non-occurrence of an uncertain future event that is beyond the control of both the issuer of the instruments and the holder of the instrument, the instrument is to be classified as a financial liability. The inclusion of the subordinated loan in tier 1 capital is decided by the regulators and is, therefore, beyond the control of Nordea and the holders of the instrument. Nordea classifies the instrument as financial liabilities. Instruments without such clauses are classified as equity as there is no requirement for Nordea to pay interest or principal to the holders of the instrument. See also “*Note G38*” and “*Note P39*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Recent Accounting Pronouncements

IFRS 9 – Financial Instruments

In July 2014, the IASB issued “*IFRS 9 – Financial Instruments*”, which will replace “*IAS 39 – Financial Instruments: Recognition and Measurement*”. “*IFRS 9 – Financial Instruments*” provides principles for classification of financial instruments, provisioning for expected credit losses and the new general hedge accounting model. “*IFRS 9 – Financial Instruments*”, which has been endorsed by the EU, will be effective from 1 January 2018.

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

In order to assess the business model, the Nordea Group has divided its financial assets into portfolios and/or sub-portfolios based on how groups of financial assets are managed together to achieve a particular business objective. To derive the right level on which portfolios are determined, the Nordea Group has taken its current business area structure into account. When determining the business model for each portfolio, the Nordea Group has analysed the objective with the financial assets as well as, among others, past sales behaviour and management compensation. In addition, the Nordea Group has analysed whether the cash flows from the financial assets held as of 31 December 2017 are SPPI compliant. This analysis has been performed by grouping contracts that are homogenous from a cash flow perspective and conclusions have been drawn for all contracts within that group.

The Nordea Group’s analysis of the business model and SPPI review have not resulted in any significant changes compared to how the financial instruments are measured under “*IAS 39 – Financial Instruments: Recognition and Measurement*”. Therefore, no significant impact is expected on the capital adequacy, large exposures, risk management or APMS in the period of initial application.

The impairment requirements in “*IFRS 9 – Financial Instruments*” are based on an expected credit loss model as opposed to the incurred loss model in “*IAS 39 – Financial Instruments: Recognition and Measurement*”. The scope of “*IFRS 9 – Financial Instruments*” impairment requirements is also broader than “*IAS 39 – Financial Instruments: Recognition and Measurement*”. “*IFRS 9 – Financial Instruments*” requires that all assets be measured at amortised cost and fair value through other comprehensive income, as well as off-balance sheet commitments, including guarantees and loan commitments, be included in the impairment test. The Nordea Group has not calculated collective provisions for off-balance sheet exposures or the financial instruments classified into the measurement category available-for-sale under IAS 39.

Under “*IFRS 9 – Financial Instruments*”, the assets to test for impairment will be divided into three groups depending on the stage of credit deterioration. Stage 1 includes assets where there has been no significant increase in credit risk, stage 2 includes assets where there has been a significant increase in credit risk and stage 3 includes defaulted assets. Significant assets in stage 3 are tested for impairment on an individual basis, while a collective assessment is performed for insignificant assets. In stage 1, the provisions should equal the 12-month expected loss. In stage 2 and stage 3, the provisions should equal the lifetime expected losses.

The trigger for transferring an asset from stage 1 to stage 2 is an important driver for size of provisions under “*IFRS 9 – Financial Instruments*”. For assets held at transition, the Nordea Group has decided to use the change in internal rating and scoring data to determine whether there has been a significant increase in credit risk or not. For assets to be recognised going forward, changes to the lifetime Probability of Default (“**PD**”) will be used as the trigger. The Nordea Group has concluded that it is not possible to calculate the lifetime PDs at origination without the use of hindsight for assets already recognised on the balance sheet at transition. For assets evaluated based on lifetime PDs, the Nordea Group has decided to use a mix of absolute and relative changes in PD as the transfer criterion. In addition, customers with forbearance measures and customers with payments more than 30 days past due will also be transferred to stage 2.

The Nordea Group's IAS 39 model for calculating collective provisions defined a loss event as a one notch deterioration in rating/scoring, while the triggering event for moving items from stage 1 to stage 2 under "*IFRS 9 – Financial Instruments*" will require a deterioration of several notches. The provisions under "*IFRS 9 – Financial Instruments*" will be calculated as the exposure at default (EAD) times the PD times the loss given default (LGD). For assets in stage 1 this calculation will only be based on the coming 12 months, while for assets in stage 2 it will be based on the expected lifetime of the asset. For assets where there has been a significant increase in credit risk, the Nordea Group provisions as of 31 December 2017 are 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 – Financial Instruments*" will require provisions equal to the lifetime expected credit loss.

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

The quantitative impact from the new impairment requirements on total allowances and provisions for on- and off-balance exposures, including debt instruments accounted for at fair value through other comprehensive income, is an increase of EUR 203 million. Equity is reduced by EUR 183 million, including the expected impact from associated undertakings and joint ventures accounted for under the equity method. The impact on the common equity tier 1 (CET1) capital ratio, after adjustment of the shortfall deduction and before transition rules, is insignificant. The Nordea Group will not apply the transitional rules issued by the EU allowing a phase-in of the impact on common equity tier 1 (CET1) capital. There is no significant impact to large exposures.

Impairment calculations under "*IFRS 9 – Financial Instruments*" will require more experienced credit judgment by the reporting entities than is currently required by "*IAS 39 – Financial Instruments: Recognition and Measurement*", and a higher level of subjectivity is therefore introduced. The inclusion of forward-looking information adds complexity and makes provisions more dependent on management's view of the future economic outlook. Nordea expects that the impairment calculations under "*IFRS 9 – Financial Instruments*" will be more volatile and pro-cyclical than under "*IAS 39 – Financial Instruments: Recognition and Measurement*", mainly due to the significant subjectivity applied in the forward-looking scenarios.

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

See also "*Note G1—Section 3 (Changes in IFRSs not yet applied)*" and "*Note G49*" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

IFRS 15 – Revenue from Contracts with Customers

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

The standard and its clarifications have been endorsed by the European Commission. The Nordea Group has not early adopted the standard. The standard will be implemented using the modified retrospective approach, meaning that the cumulative effect of the change will be recognised as an adjustment to equity in the opening balance 2018. Comparable figures for 2017 are not restated.

The new standard will have an impact on the Nordea Group's accounting policies for loan origination fees, as such fees will be amortised as part of the effective interest of the underlying exposures to a larger extent than they have been. An opening balance adjustment amounting to EUR 79 million (before tax), recognised directly in equity (after tax), is recognised at transition 1 January 2018. "*IFRS 15 – Revenue from Contracts with Customers*" will not have any significant impact on the Nordea Group's financial statements, capital adequacy or large exposures in the period of initial application.

IFRS 16 – Leases

In January 2016, the IASB issued “*IFRS 16 – Leases*”, which replaces “*IAS 17 – Leases*”. “*IFRS 16 – Leases*” will only imply insignificant changes to the accounting for lessors. For lessees, the accounting will change significantly, as 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.

“*IFRS 16 – Leases*”, which was endorsed by the EU in 2017, will be effective from 1 January 2019. Earlier application is permitted but, as of the date of this Prospectus, Nordea does not intend to adopt “*IFRS 16 – Leases*” early. Nordea expects the main impact on its financial statements to come from the accounting of property leases. Such leasing contracts will be accounted for on the balance sheet to a larger extent than they currently are. As of the date of this Prospectus, no significant impact is currently expected on the income statement or equity, although the presentation is expected to change in the income statement. As of the date of this Prospectus, it is not possible to conclude on the impact on large exposures and capital adequacy as the relevant requirements are not yet final. See also “*Note G1—Section 3 (Changes in IFRSs not yet applied)*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

IFRS 17 – Insurance Contracts

In May 2017, the IASB issued “*IFRS 17 – Insurance Contracts*”. “*IFRS 17 – Insurance Contracts*” will change the accounting requirements for recognition, measurement, presentation and disclosure of insurance contracts.

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

“*IFRS 17 – Insurance Contracts*” is effective for the annual period beginning on or after 1 January 2021 and earlier application is permitted. “*IFRS 17 – Insurance Contracts*” has not yet been endorsed by the EU. Nordea does not currently intend to early adopt the standard. Nordea’s current assessment is that the new standard will not have any significant impact on the Nordea Group’s capital adequacy or large exposures in the period of initial application. As of the date of this Prospectus, it is not possible to conclude on the impact on the financial statements of Nordea.

SELECTED STATISTICAL DATA AND OTHER INFORMATION

The following information is included for analytical purposes and should be read in connection with the Nordea Group's audited consolidated financial statements contained elsewhere in this Prospectus, as well as the section "Operating and Financial Review and Prospects". Unless otherwise indicated, information included in this section has not been extracted from the Nordea Group's audited consolidated financial statements and has not been audited. Such information has been derived from the Nordea Group's accounting records. Average balances for the years ended 31 December 2015, 2016 and 2017 have, unless otherwise indicated, been calculated from monthly data because the Nordea Group does not record all balance sheet line items on a more frequent basis.

Average Balances and Interest Rates

The following table sets forth average interest-earning assets and average interest-bearing liabilities, along with the amount of interest earned or paid and the average interest rate for such asset or liability, for the years ended 31 December 2015, 2016 and 2017, respectively:

	For the year ended 31 December									
	2015			2016 ⁽⁴⁾			2017			
	Average balance	Interest	Average rate	Average balance	Interest	Average rate	Average balance	Interest	Average rate	
	(EUR million)		(per cent)	(EUR million)	(unaudited)	(per cent)	(EUR million)		(per cent)	
Assets										
Loans to central banks and credit institutions ⁽¹⁾	24,242	18	0.1	21,157	56	0.3	20,790	300	1.4	
Loans to the public.....	352,837	7,350	2.1	337,406	6,463	1.9	321,191	6,101	1.9	
Interest-bearing securities ⁽¹⁾	<u>88,822</u>	<u>551</u>	0.6	<u>86,265</u>	<u>433</u>	0.5	<u>87,665</u>	<u>418</u>	0.5	
Total interest-earning assets	465,901	7,919	1.7	444,828	6,952	1.6	429,646	6,819	1.6	
Derivatives and other interest-bearing assets.....	<u>630</u>		n.a.	<u>615</u>		n.a.	<u>616</u>		n.a.	
Non-interest earning assets ⁽¹⁾	<u>226,262</u>			<u>214,245</u>			<u>197,322</u>			
Total average assets	692,163	8,549	1.2	659,073	7,567	1.1	626,968	7,435	1.2	
Liabilities										
Deposits by credit institutions	62,323	90	0.1	57,436	87	0.2	60,686	190	0.3	
Deposits and borrowings from the public ⁽²⁾	202,756	652	0.3	192,368	408	0.2	184,402	364	0.2	
Debt securities in issue	196,679	3,175	1.6	192,301	3,014	1.6	184,672	2,582	1.4	
Subordinated liabilities	<u>8,222</u>	<u>362</u>	4.4	<u>9,480</u>	<u>372</u>	3.9	<u>9,506</u>	<u>337</u>	3.5	
Total interest-bearing liabilities	469,980	4,279	0.9	451,585	3,881	0.9	439,266	3,473	0.8	
Derivatives and other interest-bearing liabilities.....	<u>(693)</u>		n.a.	<u>(869)</u>		n.a.	<u>(565)</u>		n.a.	
Non-interest bearing liabilities ⁽²⁾	192,226			176,741			155,479			
Equity.....	<u>29,957</u>			<u>30,747</u>			<u>32,223</u>			
Total average liabilities and equity ⁽²⁾	692,163	3,586	0.5	659,073	3,012	0.5	626,968	2,908	0.5	
Net interest income ⁽³⁾	4,963			4,555			4,527			
Net yield on interest-earning assets			1.1			1.0			1.1	

(1) As discussed in more detail under "Operating and Financial Review and Prospects—Results of Operations—Introduction—Reclassifications and Restatements—Pooled Schemes and Unit-linked Investment Contracts", the Nordea Group reclassified in 2016 certain interest-bearing securities and shares to the separate balance sheet line "assets in pooled schemes and unit-linked investment contracts" in order to disclose them separately from assets for which the Nordea Group bears the investment risk. Due to this reclassification, the Nordea Group restated the comparative figures for "loans to credit institutions", "interest-bearing securities", "shares", "investment properties" and "other assets" as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The above table reflects the restated figures for the year ended 31 December 2015. The corresponding non-restated average balance for the year ended 31 December 2015 is EUR 24,409 million for loans to central banks and credit institutions, EUR 89,741 million for bonds and other interest-bearing securities and EUR 225,177 for non-interest earning assets.

(2) As a result of the accounting policy changes discussed in footnote (1) above, the Nordea Group reclassified in 2016 the liabilities corresponding to assets in pooled schemes and unit-linked investment contracts to the separate balance sheet line "deposits in pooled schemes and unit-linked investment contracts" given that these liabilities behave differently than the normal deposits received from customers. Due to this reclassification, the Nordea Group restated the comparative figures for "deposits and borrowings from the public", "liabilities to policyholders" and "other" liabilities as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The above table reflects the restated figures. The above table reflects the restated figures for the year ended 31 December 2015. The corresponding non-restated average balance as of 31 December 2015 is EUR 203,410 million for deposits and borrowing from the public, EUR 191,572 million for non-interest bearing liabilities and EUR 692,164 million for total average liabilities and equity.

(3) Excludes net interest income of EUR 172 million in 2016 related to the disposal groups held for sale. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

(4) Excludes assets held for sale as of 31 December 2016 for loans to central banks and credit institutions, loans to the public and derivatives and other interest-earning assets, and liabilities held for sale as of 31 December 2016 for deposits by credit institutions, deposits and borrowings from the public and derivatives and other interest bearing liabilities. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Analysis of Changes in Interest Income and Expense

The following table analyses changes in the Nordea Group's net interest income attributable to changes in average volume of interest-earning assets and interest-bearing liabilities and changes in their respective interest rates for the years ended 31 December 2015, 2016 and 2017. Changes to net interest income due to changes in volume have been calculated by multiplying the change in volume during the year by the average interest rate for the previous year. Changes to net interest income due to changes in interest rate have been calculated by multiplying the change in average interest rate by the average volume of the previous year. Changes due to a combination of volume and interest rates have been allocated proportionally.

	Increase/(Decrease) due to changes					
	2016 compared to 2015 ⁽¹⁾⁽²⁾			2017 compared to 2016		
	Average volume	Average interest rate	Net change	Average volume	Average interest rate	Net change
	(unaudited) (EUR million)					
Assets						
Loans to central banks and credit institutions.....	(2)	34	32	(1)	241	240
Loans to the public.....	(321)	(540)	(861)	(311)	(48)	(358)
Interest-bearing securities.....	(16)	(99)	(115)	7	(23)	(16)
Total interest on interest-earning assets.....	(340)	(605)	(944)	(305)	170	(135)
Non-interest earning assets.....			(14)			1
Total interest income.....			(959)			(134)
Liabilities						
Deposits by credit institutions.....	(7)	3	(4)	5	103	108
Deposits and borrowings from the public.....	(33)	(199)	(233)	(17)	(26)	(43)
Debt securities in issue.....	(71)	(89)	(159)	(120)	(298)	(418)
Subordinated liabilities.....	55	(50)	5	1	(37)	(36)
Total interest-bearing liabilities.....	(56)	(335)	(390)	(130)	(258)	(389)
Non-interest bearing liabilities.....			(176)			304
Total interest expense.....			(567)			(85)

- (1) As discussed in more detail under "Operating and Financial Review and Prospects—Results of Operations—Introduction—Reclassifications and Restatements—Pooled Schemes and Unit-linked Investment Contracts", the Nordea Group reclassified in 2016 certain interest-bearing securities and shares to the separate balance sheet line "assets in pooled schemes and unit-linked investment contracts" in order to disclose them separately from assets for which the Nordea Group bears the investment risk. Due to this reclassification, the Nordea Group restated the comparative figures for "loans to credit institutions", "interest-bearing securities", "shares", "investment properties" and "other assets" as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The above table reflects the unaudited restated figures for the year ended 31 December 2015 in the "2016 compared to 2015" column.
- (2) Excludes assets held for sale as of 31 December 2016 for loans to central banks and credit institutions, loans to the public and derivatives and other interest-earning assets, and liabilities held for sale as of 31 December 2016 for deposits by credit institutions, deposits and borrowings from the public and derivatives and other interest bearing liabilities. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Investment Portfolio

The following table sets forth information regarding the Nordea Group's investment portfolio of debt securities as of 31 December 2015, 2016 and 2017, together with a breakdown of the instruments comprising the investment portfolio of debt securities by maturity:

	Book value as of 31 December		
	2015 ⁽¹⁾	2016	2017
	(unaudited) (EUR million)		
Treasury bills			
States, municipalities and other public bodies.....	8,582	6,876	2,948
Total.....	8,582	6,876	2,948
Bonds			
States, municipalities and other public bodies.....	17,178	19,727	16,505
Mortgage entities.....	27,785	25,893	27,214
Other financial institutions.....	27,804	28,474	23,486
Non-financial institutions.....	5,186	6,731	5,141
Total.....	77,953	80,825	72,346
Total investment portfolio of debt securities.....	86,535	87,701	75,294

- (1) As discussed in more detail under "Operating and Financial Review and Prospects—Results of Operations—Introduction—Reclassifications and Restatements—Pooled Schemes and Unit-linked Investment Contracts", the Nordea Group reclassified in 2016 certain interest-bearing securities and shares to the separate balance sheet line "assets in pooled schemes and unit-linked investment contracts" in order to disclose them separately from assets for which the Nordea Group bears the investment risk. Due to this reclassification, the Nordea Group restated the comparative figures for "loans to credit institutions", "interest-bearing securities", "shares", "investment properties" and "other assets" as of 31 December 2015 included in the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016. The above table reflects the unaudited restated figures as of 31 December 2015.

The following table sets forth maturities of the Nordea Group's investment portfolio as of 31 December 2017:

	As of 31 December 2017	
	Within 1 year	Over 1 year
	(unaudited)	
	(EUR million)	
Treasury bills and bonds	22,594	52,700

Types of Loans

The following table sets forth a breakdown of the Nordea Group's gross loan portfolio after allowances as of 31 December 2015, 2016 and 2017:

	As of 31 December		
	2015	2016 ⁽¹⁾	2017
	(unaudited)		
	(EUR million)		
To credit institutions	24,183	20,261	13,388
of which banks	13,224	11,235	4,796
of which other credit institutions	10,959	9,026	8,592
To the public	340,920	317,689	310,158
of which corporate	177,542	152,964	147,008
Energy (oil, gas, etc.)	3,035	2,678	1 867
Metals and mining materials	836	856	688
Paper and forest materials	1,629	1,610	1,301
Other materials (building materials, etc.)	6,087	4,589	3,994
Industrial capital goods	1,932	1,959	1,643
Industrial commercial services, etc.	12,517	11,738	11,189
Construction and engineering	4,613	5,158	4,788
Shipping and offshore	10,510	10,494	8,377
Transportation	3,601	3,659	3,211
Consumer durables (cars, appliances, etc.)	2,272	1,611	1,987
Media and leisure	2,467	2,472	2,336
Retail trade	9,584	9,003	8,725
Consumer staples (food, agriculture, etc.)	11,515	10,796	9,665
Health care and pharmaceuticals	1,781	1,393	1,405
Financial institutions	17,013	13,600	15,376
Real estate	41,811	41,142	41,954
IT software, hardware and services	1,609	1,634	1,946
Telecommunication equipment	79	76	29
Telecommunication operators	1,242	1,044	886
Utilities (distribution and production)	6,200	5,109	4,895
Other	4,938	3,167	4,457
Reverse repurchase agreements	32,274	19,176	16,292
of which household	158,150	161,099	158,585
Mortgage financing	130,232	133,341	132,477
Consumer financing	27,919	27,759	26,107
of which public sector	5,228	3,626	4,565
Total loans	365,103	337,950	323,546
Total allowances	2,664	2,425	2,333
Total loans, gross	367,767	340,375	325,879

(1) Excludes assets held for sale as of 31 December 2016. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Loans Outstanding by Jurisdiction and Industry

The following tables set forth information regarding the Nordea Group's loan portfolio, net of allowances for loan losses, by jurisdiction and industry as of 31 December 2015, 2016 and 2017 (see also "Risk Management—Credit Risk Management—Credit Risk Analysis"):

	As of 31 December 2017						
	Denmark	Finland	Norway	Sweden	Russia	Outside Nordic	Total
	(unaudited) (EUR million)						
Energy (oil, gas, etc.).....	101	52	821	303	93	496	1,867
Metals and mining materials	13	191	128	247	110	0	688
Paper and forest materials	285	604	58	194	0	160	1,301
Other materials (building materials, etc.).....	346	1,317	369	1,449	466	48	3,994
Industrial capital goods	546	517	73	424	0	82	1,643
Industrial commercial services, etc.	4,585	1,102	2,208	3,063	0	231	11,189
Construction and engineering.....	953	811	2,114	900	0	9	4,788
Shipping and offshore	76	180	4,841	348	0	2,933	8,377
Transportation.....	427	962	558	1,067	192	4	3,211
Consumer durables (cars, appliances, etc.).....	268	373	358	911	29	48	1,987
Media and leisure	824	532	256	724	0	0	2,336
Retail trade.....	2,883	1,825	805	3,019	6	187	8,725
Consumer staples (food, agriculture, etc.)	6,698	992	1,444	496	0	34	9,665
Health care and pharmaceuticals.....	677	324	195	192	0	17	1,405
Financial institutions	3,001	1,865	1,239	9,074	133	64	15,376
Real estate.....	9,490	7,690	8,750	15,850	144	30	41,954
IT software, hardware and services.....	741	410	264	492	0	38	1,946
Telecommunication equipment	4	14	0	3	0	8	29
Telecommunication operators	77	224	245	340	0	0	886
Utilities (distribution and production).....	949	1,749	893	1,152	136	16	4,895
Other, public and organisations.....	3,398	88	254	716	0	0	4,457
Reverse repurchase agreements	—	—	—	16,292	—	—	16,292
Total corporate	36,342	21,822	25,873	57,257	1,309	4,405	147,008
Household mortgages	31,105	29,497	26,644	44,715	0	516	132,477
Household consumer	9,862	8,678	1,641	4,997	0	930	26,107
Public sector	1,210	874	33	2,448	0	0	4,565
Total	78,519	60,872	54,191	109,417	1,309	5,851	310,158

	As of 31 December 2016 ⁽¹⁾					
	Denmark	Finland	Norway	Sweden	Russia	Total
	(unaudited) (EUR million)					
Energy (oil, gas, etc.).....	1	85	970	1,445	176	2,678
Metals and mining materials	14	200	140	388	113	856
Paper and forest materials	302	832	19	457	0	1,610
Other materials (building materials, etc.).....	341	1,630	466	1,505	647	4,589
Industrial capital goods	634	775	55	495	0	1,959
Industrial commercial services, etc.	5,091	1,489	1,991	3,167	0	11,738
Construction and engineering.....	989	871	2,143	1,155	0	5,158
Shipping and offshore	146	2,923	5,387	2,038	0	10,494
Transportation.....	530	1,305	678	1,008	138	3,659
Consumer durables (cars, appliances, etc.).....	266	375	449	520	0	1,611
Media and leisure	776	530	330	836	0	2,472
Retail trade.....	3,012	2,117	980	2,892	2	9,003
Consumer staples (food, agriculture, etc.)	7,198	1,309	1,552	735	3	10,796
Health care and pharmaceuticals.....	677	344	125	247	0	1,393
Financial institutions	2,662	1,321	1,145	8,473	0	13,600
Real estate.....	9,206	7,742	9,085	14,461	648	41,142
IT software, hardware and services.....	690	363	188	394	0	1,634
Telecommunication equipment	4	63	0	9	0	76
Telecommunication operators	43	342	266	384	8	1,044
Utilities (distribution and production).....	979	1,324	1,195	1,227	384	5,109
Other, public and organisations.....	3,096	0	39	32	0	3,167
Reverse repurchase agreements ⁽¹⁾	—	19,174	1	0	—	19,176
Total corporate	36,657	45,115	27,205	41,868	2,119	152,964
Household mortgages	31,031	28,978	27,801	45,531	0	133,341
Household consumer	10,320	8,789	1,525	5,406	0	27,759
Public sector	1,268	1,084	38	1,236	0	3,626
Total	79,276	83,966	56,568	94,041	2,119	317,689

(1) Excludes the Nordea Group's Baltic operations reported as assets held for sale as of 31 December 2016. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

As of 31 December 2015							
Denmark	Finland	Norway	Sweden	Baltic	Russia	Total	
(unaudited)							
(EUR million)							
Energy (oil, gas, etc.).....	1	3	868	1,884	25	253	3,035
Metals and mining materials	19	179	150	400	32	56	836
Paper and forest materials	309	759	47	456	59	0	1,629
Other materials (building materials, etc.).....	365	1,534	463	1,669	229	1,827	6,087
Industrial capital goods	571	765	39	540	18	0	1,932
Industrial commercial services, etc.	4,819	1,368	2,287	3,556	487	0	12,517
Construction and engineering.....	1,030	703	1,675	970	234	1	4,613
Shipping and offshore	264	3,265	4,903	2,062	15	0	10,510
Transportation.....	377	813	711	893	662	144	3,601
Consumer durables (cars, appliances, etc.).....	267	370	988	571	59	17	2,272
Media and leisure	797	536	341	735	58	0	2,467
Retail trade.....	3,229	1,894	1,092	2,749	601	19	9,584
Consumer staples (food, agriculture, etc.)	7,368	1,104	1,710	907	424	1	11,515
Health care and pharmaceuticals.....	676	344	156	573	32	0	1,781
Financial institutions	5,731	974	1,140	8,820	349	0	17,013
Real estate.....	8,581	8,038	8,346	14,861	1,264	721	41,811
IT software, hardware and services.....	717	316	144	414	18	0	1,609
Telecommunication equipment.....	7	62	0	8	1	0	79
Telecommunication operators.....	49	542	177	447	13	14	1,242
Utilities (distribution and production).....	1,296	1,800	1,046	1,327	412	318	6,200
Other, public and organisations.....	2,970	1,564	98	9	296	0	4,938
Reverse repurchase agreements	0	32,272	0	2	0	0	32,274
Total corporate	39,444	59,204	26,381	43,854	5,288	3,371	177,542
Household mortgages.....	28,819	28,906	25,460	44,209	2,593	245	130,232
Household consumer	10,719	7,873	1,453	5,672	421	7	27,919
Public sector	1,530	1,270	23	2,237	168	0	5,228
Total	80,511	97,253	53,317	95,972	8,471	3,624	340,920

Maturities of Loans

The following table sets forth maturities of the Nordea Group's loan portfolio, net of allowances for loan losses, as of 31 December 2017:

As of 31 December 2017			
Total	Within 12 months	After 12 months	
(unaudited)			
(EUR million)			
Cash and balances with central banks	43,081	43,081	–
Loans to central banks.....	4,796	4,796	–
Loans to credit institutions	8,592	7,143	1,449
Loans to the public	310,158	85,059	225,099
Total	366,627	140,079	226,548

Impaired Loans

Under IFRS, Nordea determines that a loan or a group of loans is impaired if there is established objective evidence, based on identified occurred loss events or through indications by observable data, that these events have impact on the customer's future cash flow to the extent that full repayment is unlikely, security included.

The following table sets forth information regarding the amount of impaired loans as of and for the years ended 31 December 2015, 2016 and 2017 (further information, see "Risk Management—Credit Risk Management"):

As of and for the years ended 31 December			
2015	2016 ⁽³⁾	2017	
(unaudited)			
(EUR million)			
Impaired loans, gross.....	5,960	5,550	6,068
Interest income, gross ⁽¹⁾⁽²⁾	124	114	110
Interest income on impaired loans ⁽²⁾	78	68	68

(1) Gross interest income that would have been recorded if the impaired loans had been current. The figures have been approximated by multiplying "average impaired loans gross" by "average interest rate for loans to the public".

(2) Interest income on impaired loans that was included in net income. The figures have been approximated by subtracting "average non-performing loans" from "average impaired loans" and multiplying the result by "average interest rate for loans to the public".

(3) Excludes assets held for sale as of 31 December 2016. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Analysis of the Allowance for Loan Losses

The following table sets forth information regarding the Nordea Group's allowance for loan losses for 2016 and 2017:

	As of 31 December					
	2016 ⁽¹⁾			2017		
	Individually	Collectively	Total	Individually	Collectively	Total
	(unaudited)					
	(EUR million)					
Balance at the beginning of the period.....	(2,213)	(451)	(2,664)	(1,913)	(513)	(2,426)
Changes through the income statement	(321)	(96)	(417)	(366)	100	(266)
of which provisions	(729)	(328)	(1,057)	(751)	(158)	(909)
of which reversals	408	232	640	385	258	643
Allowances used to cover realised loan losses	474	–	474	300	0	300
Reclassification	151	42	193	11	2	13
Currency translation differences	(4)	(8)	(12)	32	14	46
Balance at the end of the period.....	(1,913)	(513)	(2,426)	(1,936)	(397)	(2,333)

(1) Excludes assets held for sale as of 31 December 2016. See “Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale” and “Note G42” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Allocation of the Allowance for Loan Losses

The following table sets forth an analysis of the Nordea Group's allocation of its allowance for loan losses on its loan portfolio as of 31 December 2016 and 2017:

	As of 31 December					
	2016 ⁽¹⁾			2017		
	Allowances	Per cent of lending	Lending after allowances	Allowances	Per cent of lending	Lending after allowances
	(unaudited)					
	(EUR million)	(per cent)	(EUR million)	(EUR million)	(per cent)	(EUR million)
Energy (oil, gas, etc.).....	100	3.73	2,678	237	12.71	1,867
Metals and mining materials	37	4.32	856	20	2.91	688
Paper and forest materials	4	0.25	1,610	4	0.30	1,301
Other materials (building materials, etc.).....	111	2.42	4,589	128	3.20	3,994
Industrial capital goods	43	2.19	1,959	60	3.65	1,643
Industrial commercial services, etc.	193	1.64	11,738	169	1.51	11,189
Construction and engineering.....	86	1.67	5,158	82	1.71	4,788
Shipping and offshore	240	2.29	10,494	174	2.07	8,377
Transportation.....	27	0.74	3,659	32	1.00	3,211
Consumer durables (cars, appliances, etc.).....	82	5.09	1,611	79	3.98	1,987
Media and leisure	34	1.38	2,472	22	0.94	2,336
Retail trade.....	165	1.83	9,003	157	1.80	8,725
Consumer staples (food, agriculture, etc.).....	301	2.79	10,796	228	2.36	9,665
Health care and pharmaceuticals.....	8	0.57	1,393	6	0.43	1,405
Financial institutions	163	1.20	13,600	127	0.64	19,998
Real estate management and investment	183	0.44	41,142	177	0.42	41,954
IT software, hardware and services.....	38	2.33	1,634	33	1.70	1,946
Telecommunication equipment.....	1	1.32	76	1	3.44	29
Telecommunication operators.....	26	2.49	1,044	32	3.61	886
Utilities (distribution and production).....	17	0.33	5,109	26	0.53	4,895
Other, public and organisations.....	42	0.19	22,342	78	0.64	12,125
Total corporate	1,900	1.24	152,964	1,870	1.31	143,007
Household mortgages	83	0.06	133,341	124	0.09	132,477
Household consumer	441	1.59	27,759	338	1.32	25,544
Public sector	0	0.00	3,626	0	0.00	9,130
Total excluding credit institutions	2,424	0.76	317,689	2,332	0.75	310,158
Credit institutions	2	0.01	20,261	1	0.01	13,388
Total including credit institutions.....	2,426	0.72	337,950	2,333	0.72	323,546

(1) Excludes assets held for sale as of 31 December 2016. See “Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale” and “Note G42” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Short-term Borrowings

The following table sets forth period-end balances of the Nordea Group's short-term borrowings as of 31 December 2015, 2016 and 2017:

	As of 31 December		
	2015	2016 ⁽¹⁾	2017
		(unaudited)	
		(EUR million)	
Amounts owed to credit institutions			
Banks	32,430	24,460	32,152
Credit institutions	11,779	13,676	7,831
Total amounts owed to credit institutions.....	44,209	38,136	39,983
Debt securities in issue etc.			
Debt securities in issue etc.	72,977	64,406	64,930
Total	117,186	102,542	104,913

(1) Excludes liabilities held for sale as of 31 December 2016. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Deposits and Borrowings

In 2017, the Nordea Group's deposits by credit institutions and deposits and borrowings from the public totalled EUR 212,417 million (audited), as compared to EUR 212,164 million (audited) in 2016 and EUR 233,258 million in 2015. The Nordea Group's interest expense related to deposits by credit institutions and deposits and borrowings from the public was EUR 367 million (audited) in 2017, EUR 414 million (audited) in 2016 and EUR 652 million 2015.

The following table sets forth information regarding the Nordea Group's deposit base for the years ended 31 December 2015, 2016 and 2017:

	For the year ended 31 December		
	2015	2016 ⁽³⁾	2017
		(unaudited)	
		(EUR million, unless otherwise indicated)	
Interest paid to the customer			
Transaction accounts ⁽¹⁾	184	199	162
Savings accounts ⁽²⁾	178	239	204
Other deposits	289	(30)	(2)
Total	652	408	364
Average volumes			
Transaction accounts ⁽¹⁾	62,930	66,902	63,142
Savings accounts ⁽²⁾	45,742	46,443	43,925
Other deposits	84,671	79,022	77,334
Total	193,342	192,368	184,402
Interest rate, per cent			
Transaction accounts ⁽¹⁾	0.3	0.3	0.3
Savings accounts ⁽²⁾	0.4	0.5	0.5
Other deposits	0.3	0.0	0.0
Total	0.3	0.2	0.2

(1) Transaction accounts include all deposits against which the account holder is permitted to make withdrawals by negotiable or transferable instruments, payment orders of withdrawal, or telephone or preauthorised transfers for the purpose of making payments to third persons or others.

(2) Savings accounts are accounts with the purpose of accumulating funds over a period of time. While some savings accounts require funds to be kept on deposits for a minimum length of time, most savings accounts permit unlimited access to funds.

(3) Excludes liabilities held for sale as of 31 December 2016. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

The following table sets forth information regarding the maturity profile of the Nordea Group's deposit base as of 31 December 2016 and 2017:

	As of 31 December			
	2016		2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months
			(unaudited)	
			(EUR million)	
Deposits by credit institutions	35,750	2,386	35,438	4,545
Deposits and borrowings from the public	169,982	4,046	148,706	23,728
Total	205,732	6,432	184,144	28,273

Return on Equity and Assets

The following table sets forth information on the Nordea Group's return on total assets, return on equity and equity to assets ratio as of 31 December 2015, 2016 and 2017, and on the dividend per share in respect of the financial years ended 31 December 2015, 2016 and 2017:

	As of 31 December		
	2015	2016	2017
		(unaudited)	
Return on equity and assets			
Return on equity ⁽¹⁾⁽²⁾ , per cent	12.2	12.3	9.5
Return on total assets ⁽³⁾ , per cent.....	0.5	0.6	0.5
Equity to assets ratio ⁽⁴⁾ , per cent.....	4.3	4.7	5.1
Dividend per share ⁽⁵⁾ , EUR.....	0.64	0.65	0.68

- (1) The return on equity of the Nordea Group, excluding items affecting comparability, was 9.5 per cent in 2017, 11.5 per cent in 2016 and 12.3 per cent in 2015.
- (2) Net profit for the year as a percentage of average equity for the year. Additional tier 1 capital, accounted for in equity, is in the calculation considered as being classified as a financial liability. Net profit for the period excludes non-controlling interests and interest expense on additional tier 1 capital (discretionary interest accrued). Average equity includes net profit for the year and dividend until paid, and excludes non-controlling interests and additional tier 1 capital.
- (3) Net profit for the year as a percentage of total assets at end of the year.
- (4) Average total equity including non-controlling interests and as of 31 December 2017 additional tier 1 capital holders as a percentage of average total assets for the year.
- (5) Actual dividend per share in respect of the financial years ended 31 December 2015 and 2016 and proposed dividend per share in respect of the financial year ended 31 December 2017.

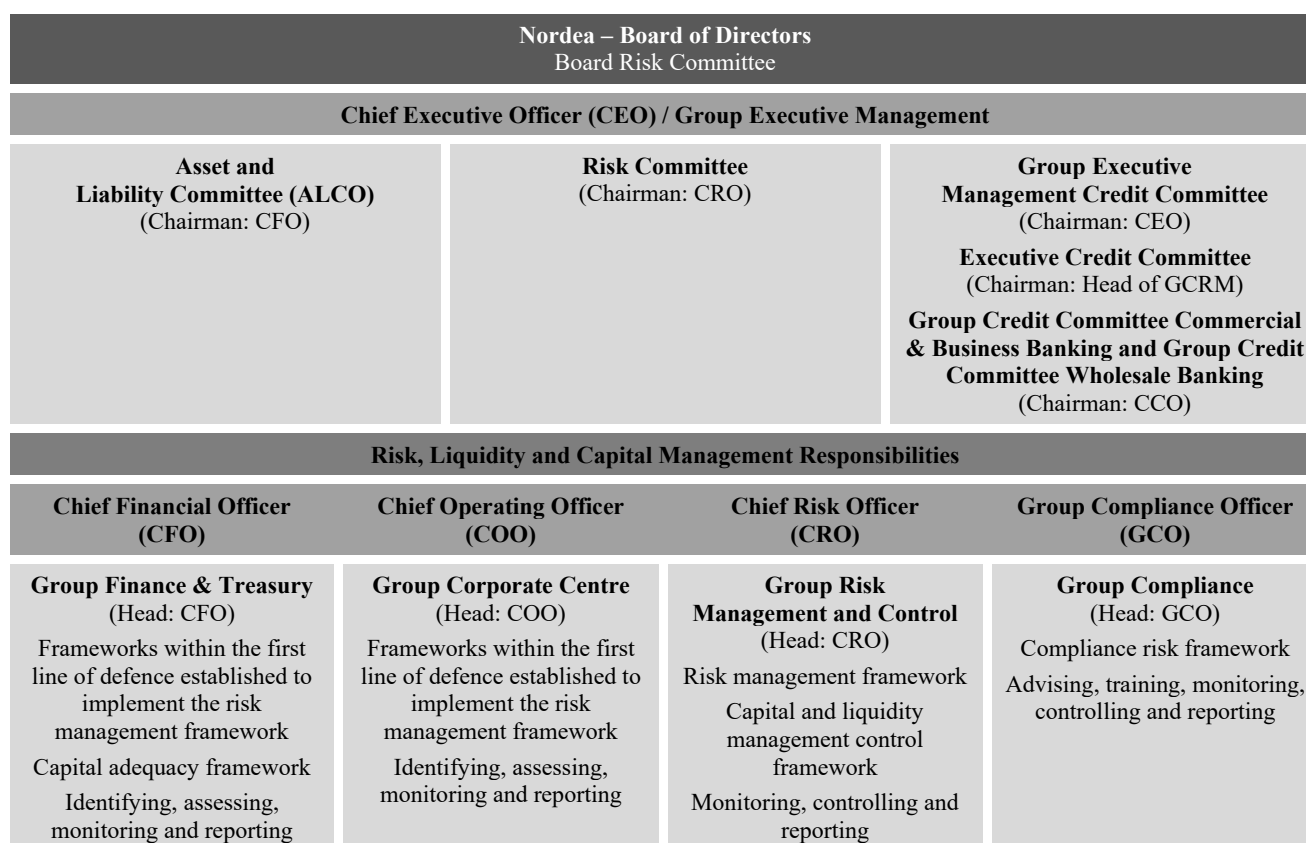
RISK MANAGEMENT

Overview

Risk, liquidity and capital management are key success factors in the financial services industry. Exposure to risk is inherent in providing financial services, and the Nordea Group assumes a variety of risks in its ordinary business activities, the most significant being credit risk related to loans and receivables. Maintaining risk awareness in the organisation is a key component of the Nordea Group's business strategies. The Nordea Group has clearly defined risk, liquidity and capital management frameworks, including policies and instructions for different risk types and for the capital structure.

Management Principles and Control

The following diagram presents an overview of the Nordea Group's risk, liquidity and capital management governance and responsibility structure:



Board of Directors of Nordea

The board of directors of Nordea has the ultimate responsibility for deciding on the Nordea Group's risk exposure comprising all of the bank's risk types. The board of directors is also responsible for the risk strategy, setting the overall risk appetite limits and overseeing that the Nordea Group has an adequate and effective internal control framework. The board of directors decides on the Group Board Directive on Risk and the Group Board Directive on Risk Appetite, which cover all risks that the Nordea Group is or could be exposed to, including credit risk, counterparty credit risk, market risk, liquidity risk, operational risk, model risk, compliance risk and insurance risk. Risk is measured, managed and reported on according to common principles further covered by the Group Instructions approved by Nordea's Chief Executive Officer (the "CEO").

The board of directors of Nordea approves the Group Board Directive on Risk setting out the general principles, roles and responsibilities and the main processes by which risks are to be identified, managed and controlled. The CEO approves the Group CEO Instructions on Credit Risk that together with the Group Board Directive on Risk include the relevant authorisations for major credit committees within the business areas. These authorisations vary for different decision-making levels, mainly in terms of size of limits but also depending on internal risk categorisation of the customers. The board of directors approves all agreements and other products to members of management and other persons considered to be so-called "persons with bias" (Sw: *jävskretsen*).

Board Risk Committee and Executive Credit Committee

The Board Risk Committee assists the board of directors in fulfilling its oversight responsibilities concerning management and control of the risks, risk frameworks, controls and processes associated with the Nordea Group's operations. The Board Risk Committee met seven times during 2017. It appoints Executive Credit Committee ("ECC") members and confirms industry policies approved by the Risk Committee. The ECC participates in the credit granting procedure in accordance with the Credit Instructions as a decision making body. The ECC appoints the members of the Group Credit Committee Commercial & Business Banking and of the Group Credit Committee Wholesale Banking.

CEO and Group Executive Management

The CEO has overall responsibility for developing the Nordea Group's earnings volatility measurement framework and maintaining effective risk, liquidity and capital management principles and control.

The CEO and Group Executive Management regularly review reports on risk exposures and have established the following committees for risk, liquidity and capital management:

- *The Asset and Liability Committee ("ALCO")*, chaired by the Chief Financial Officer (the "CFO"), and within the scope of resolutions adopted by the CEO in Group Executive Management or the board of directors, monitors and decides on principles for the performance management framework, the financial planning and coordinates balance sheet management activities. The ALCO monitors and steers the Nordea Group's overall balance sheet, capital position and its development. Within its given mandate, the ALCO also decides on certain issuances and capital injections for all legal entities consolidated by the Nordea Group. The ALCO has established sub-committees for its work and decision-making within specific risk areas and it met 12 times during 2017;
- *The Risk Committee*, chaired by the Chief Risk Officer (the "CRO"), oversees the management and the control of the Nordea Group's risks on an aggregate level and evaluates the sufficiency of the risk frameworks, controls and processes associated with these risks. Further, the Risk Committee decides, within the scope of resolutions adopted by the board of directors, the allocation of the credit risk limits, market risk limits as well as the liquidity risk limits to the risk-taking units. These risk limits are informed by the risk appetite decided on by the board of directors. Unit heads allocate respective risk limits decided by the Risk Committee within their units and may introduce more detailed limits and/or require other risk mitigation techniques to be used, such as stop-loss rules. The Risk Committee has established subcommittees for its work and for decision-making within specific risk areas. The Risk Committee met 15 times during 2017; and
- *The Group Executive Management Credit Committee* is chaired by the CEO. The ECC is chaired by the Head of GCRM, while the Group Credit Committee Commercial & Business Banking and the Group Credit Committee Wholesale Banking are chaired by the Chief Credit Officer (CCO). These credit committees approve major internal credit risk limits for the Nordea Group constituting the maximum credit risk appetite on the customer in question. Individual credit decisions within approved internal credit risk limits are taken within the customer responsible units. Internal credit risk limits are granted as individual limits for customers or consolidated customer groups and as internal industry limits for certain defined industries.

Governance of Risk Management and Compliance

Group Risk Management and Control and Group Compliance are the second line of defence responsible for maintaining the Nordea Group's internal control framework, including its implementation across the Nordea Group. Group Risk Management and Control implements the risk policies and controls the Nordea Group's risk management framework and, among other things, aims to ensure that all risks that the Nordea Group is or could be exposed to, are identified, assessed, monitored, managed and reported on. Group Compliance is responsible for identifying compliance risks and performing monitoring and control to ensure that the risks are managed by the relevant functions. The flow of risk-related information from the business areas and the group functions to the board of directors passes through the Risk Committee and Board Risk Committee. Reporting from Group Compliance is presented directly to the board of directors and it is also discussed in the Board Operations and Compliance Committee.

Group Risk Management and Control is organised in the following divisions covering Group Market & Counterparty Credit Risk, Group Credit Risk & Control, Group Operational Risk, Risk Models, Group Risk COO Office, Enterprise Wide Risk Management, Balance Sheet Risk Controls, CRO Office and Group Functions People (to the extent supporting Group Risk Management and Control). The flow of information starts with the divisions that monitor and analyse information on each respective risk type. The risks are presented, and discussed in the Risk Committee and its sub-committees. Information on relevant risk is then discussed by the Board Risk Committee and prepared before presentation to the board of directors.

Nordea defines compliance risk as the risk of failure to comply with statutes, laws, regulations, business principles, rules of conduct, good business practices and related internal rules governing Nordea's activities subject to authorisation in any jurisdiction where Nordea operates, which could result in material financial or reputational loss to the Nordea Group, regulatory remarks or sanctions.

Group Compliance is the Nordea Group's independent compliance function. It has the responsibility to maintain oversight of compliance risk management across the entire Group. The function is responsible for identifying compliance risks and performing monitoring and control to ensure that the risks are managed by the relevant functions. Group Compliance helps the Nordea Group be a good corporate citizen by ensuring compliance risks are addressed as a natural part of the business. Group Compliance includes the units supporting each business area and Group function, units targeted at specific risk areas such as Financial Crime and Conduct Risk as well as shared functions such as a Chief Operating Officer unit, a Monitoring unit and a Regulatory Affairs unit.

Monitoring and Reporting

The Nordea Group's risk management framework is developed and maintained to ensure consistent processes for identifying, measuring, assessing, monitoring and controlling all risk types that Nordea is or could be exposed to as well as to limit and mitigate the consequences of such risks as appropriate. Management of risk is proactive, emphasising advice, training and risk awareness. The Nordea Group maintains a high standard of risk management by means of applying available techniques and methodology to its own needs. The Nordea Group's internal Group-level directives are reviewed and updated at least annually and approved by either the CEO or board of directors. To ensure a consistent approach to risk and compliance training and communication, a joint risk and compliance training and culture team has been formed. A governance body has also been established to define training needed both in the on-boarding of staff as well as the continuous training of each employee to renew their licences to work. Examples of training activities include team discussions, e-learning and classroom training.

The control environment is, among other things, based on the principles for segregation of duties and independence. Control takes place on a daily basis for all risk areas and reporting of risk is conducted on a daily basis for market risk, counterparty credit risk, liquidity risk and on a monthly basis for credit risk, operational risk, IT risk and overall capital adequacy. Detailed risk information, covering all risks and capital adequacy is regularly reported to the Risk Committee, Group Executive Management, the Board Risk Committee and the board of directors. The board of directors and CEO in each legal entity regularly receive local risk reporting.

Credit Risk Management

Credit Risk Management in the first line of defence is responsible for the establishment of accurate, concise, understandable and timely report on credit risk development in the portfolios, to relevant management bodies. Examples of reporting areas include credit risk review process and workout cases as well as detailed analyses of customer segments and/or industries. Group Risk Management and Control as the second line of defence is responsible for supporting prudent risk management and credit processes within the established credit risk appetite, models, policies and frameworks by providing one source of information for credit risk reporting. Group Credit Risk Reporting within the Group Risk Management and Control is responsible for independently analysing and reporting the status and development of the credit risk in the Nordea Group's portfolio and in the credit processes both externally (*e.g.*, the Nordea Group's financial reports and regulatory reporting) and internally (*e.g.*, management reporting). Each division and unit is primarily responsible for managing credit risks in its operations within the applicable framework and limits, including identification, control and reporting.

The Nordea Group sets limits to customers and customer groups that are aggregated and assigned to units responsible for their continuous monitoring and development. In addition, the Nordea Group applies concentration risk limits based on industries, segments, products or geographies that are similarly aggregated and assigned to units responsible for their monitoring and development. Each division/unit is primarily responsible for managing the credit risks in its operations within the applicable framework and limits, including identification, control and reporting of credit risks.

The basis of credit risk management in the Nordea Group is credit risk limits that are set for customer and customer groups. In addition, the Nordea Group uses sector concentration risk limits for industries, segments, products and geographies. These limits are aggregated and assigned to units that are responsible for their continuous monitoring and development. Credit decision making is delegated from the board of directors down to various sub-levels of credit decision making authorities. All internal credit risk limits within the Nordea Group are based on credit decisions or authorisations made by an ultimate decision making authority, with the right to decide upon that limit as evidenced in the Nordea Group's powers to act. The Nordea Group's credit customers are continuously assessed and periodically reviewed based on internal rules dependent by segment, limit amounts and level of risk.

Credit Risk Definition and Identification

Credit risk is defined as the potential for loss due to failure of a borrower to meet its obligations to clear a debt in accordance with agreed terms and conditions.

Credit risk stems mainly from various forms of lending to the public (corporate and household customers), but also from guarantees and documentary credits, such as letters of credit. The credit risk from guarantees and documentary credits arises from the potential claims on customers for which the Nordea Group has issued guarantees or documentary credits.

Credit risk may also include counterparty credit risk, settlement risk and transfer risk. Counterparty risk is the risk that the Nordea Group's counterparty in a foreign exchange, interest, commodity, equity or credit derivatives contract defaults prior to maturity of the contract and that the Nordea Group at that time has a claim on the counterparty. Settlement risk is the risk of losing the principal on a financial contract, due to counterparty's default during the settlement process. Transfer risk is a credit risk attributable to situation in which a local currency cannot be converted into the currency that a debt is denominated in.

Concentration risk in specific industries is followed by industry monitoring groups and managed through industry credit policies, which establish requirements and limits on the overall industry exposure. Corporate customers' environmental risks are also taken into account in the overall risk assessment through the so-called "Environmental Risk Assessment Tool". Social and political risks are taken into account by the so-called "Social and Political Risk Assessment Tool". For larger project finance transactions, the Nordea Group has adopted the so-called "Equator Principles", which are a financial industry benchmark for determining, assessing and managing social and environmental risk in project financing. The Equator Principles are based on the policies and guidelines of the World Bank and International Finance Corporation.

Credit decisions are made after a credit risk assessment based on principles that are consistent across the Nordea Group. These principles emphasise the need to adjust the depth and scope of the assessment according to the risk. The same credit risk assessments are used as input for determining the internal ratings. Credit decisions reflect the Nordea Group's view of both the customer relationship and credit risk. In addition to credit risk assessment in connection with new or changed exposure towards a customer, customers are subject to an annual credit review process, which is important part of the ongoing credit analysis.

Credit Risk Mitigation

Credit risk mitigation is inherent and a fundamental part of the Nordea Group's credit decision process. In every credit decision and review, the valuation of collateral as well as the adequacy of covenants and other risk mitigation measures are considered. The main credit risk mitigation technique used by the Nordea Group is the pledging of collateral. Collateral coverage is higher for exposures to financially weaker customers than for the financially strong customers. Limit decisions are taken independently from collateral coverage. Local instructions emphasise that national practice and routines are timely and prudent in order to ensure that collateral items are controlled by the Nordea Group and that loan and pledge agreements as well as collateral are legally enforceable and that the Nordea Group, therefore, is entitled to liquidate collateral in the event of the obligor's default and can claim and control cash proceeds from a liquidation process.

To a large extent, the Nordea Group uses national standard loan and pledge agreements to ensure legal enforceability. The following collateral types are most common:

- residential real estate, commercial real estate and land situated in the Nordea Group's home markets;
- other tangible assets such as machinery, equipment, vehicles, vessels, aircraft and trains;
- inventory, accounts receivable and assets pledged under floating charge;
- financial collateral such as listed shares, listed bonds and other specific securities;
- deposits;
- guarantees; and
- insurance policies (capital assurance with surrender value).

For each type of collateral, more specific instructions are added to the general valuation principles. A specific maximum collateral ratio is set for each type. In the calculation of risk exposure amount (REA), the collateral must fulfil certain eligibility criteria.

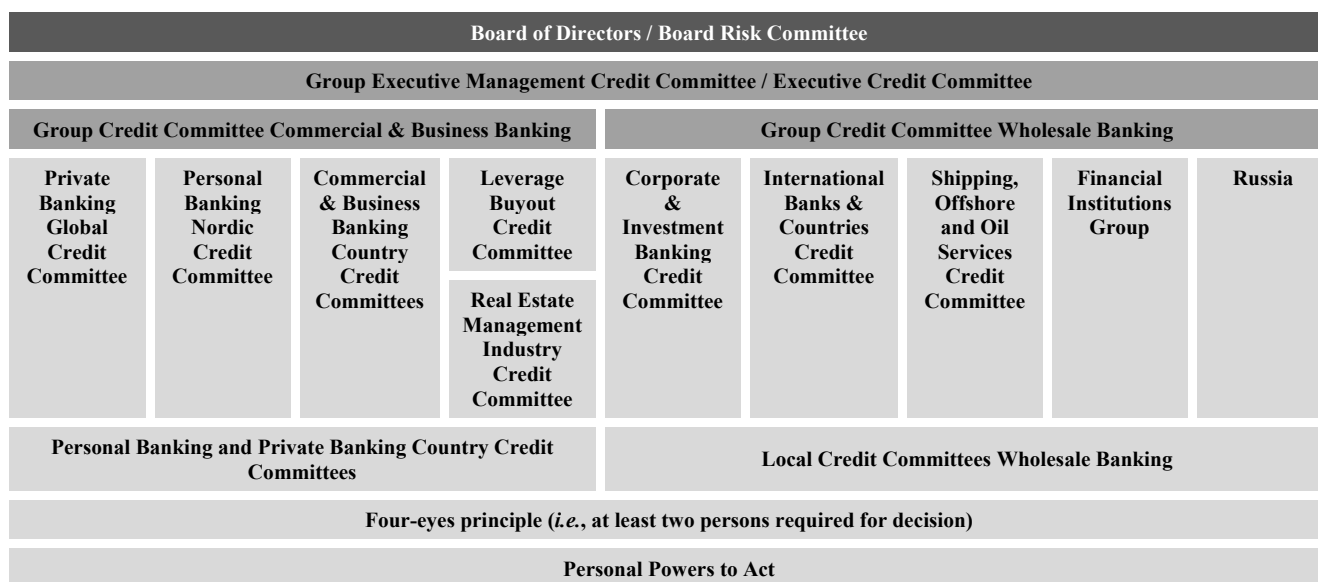
For large exposures, syndication of loans is the primary tool for managing concentration risk, while credit risk mitigation by the use of CDSs is applied to a limited extent.

Covenants in credit agreements do not substitute collateral, but may serve as a complement to both secured and unsecured exposures. Most exposures of substantial size and complexity include appropriate covenants. Financial covenants are designed to highlight early warning signs and are closely monitored.

Decisions and Monitoring of Credit Risk

The decisions regarding internal credit risk limits for customers and customer groups are made by the relevant credit decision authorities on different levels within the Nordea Group.

The following diagram presents the Nordea Group’s credit decision-making structure:



Internal credit risk limits for customers and customer groups are approved by decision-making bodies at various levels within the Nordea Group, constituting the maximum credit risk appetite on the customer in question. Representatives from the first line of defence credit organisation independently approve the rating.

Exposures that have been past due more than 90 days are regarded as defaulted and reported as “non-servicing, impaired” or “non-servicing, not impaired” depending on the deemed loss potential.

If credit weaknesses are identified in relation to a customer exposure, that exposure is assigned special attention in terms of review of the risk. In addition to the continuous monitoring, an action plan is established outlining how to minimise a potential credit loss. If necessary, a special team is set up to support the customer responsible unit.

Credit policies of the Nordea Group’s banking subsidiaries and branches in Russia are aligned within the Nordea Group and the credit instructions for the Nordea Group are applicable in each of these countries. The Nordea Group’s corporate rating tools are also applicable in each of these countries. The credit scoring models for household customers in Russia differ from those applied in the Nordic markets. Provisioning of loan losses is based on local central bank rules. For local accounts, provisioning for loan losses can be more conservative should the Nordea Group’s group guidelines so state.

Individual and Collective Assessment of Impairment

Throughout the process of identifying and mitigating credit impairments, the Nordea Group works continuously to review the quality of the credit exposures. Weak and impaired exposures are closely and continuously monitored and reviewed at least on a quarterly basis in terms of current performance, business outlook, future debt service capacity and the possible need for provisions.

An exposure is impaired, and a need for provision is recognised if there is objective evidence, based on loss events or observable data, that the customer’s future cash flow is impacted to the extent that full repayment is unlikely, including the value of pledged collateral. Exposures with individual assigned provisions are considered impaired. The size of the provision is equal to the estimated loss considering the discounted value of the future cash flow and the value of pledged collateral. Impaired exposures can be either servicing or non-servicing. Non-significant customers can be treated as groups with a reserve belonging to a group of individually identified customers. Exposures more than 90 days past due

are regarded as in default, and reported as “non-servicing, impaired” or “non-servicing, not impaired” depending on the deemed loss potential.

Forbearance means renegotiated terms or restructuring due to borrowers’ financial stress. The intention with granting forbearance for a limited period of time is to ensure full repayment of the outstanding debt. Examples of renegotiated terms are changes in amortisation profile, repayment schedule, customer margin as well as ease of financial covenants. Forbearance is undertaken on a selective and individual basis and followed by impairment testing. Loan loss provisions are recognised if necessary. Forborne rated customers without impairment charges are fully covered by either collateral and/or the net present value of future cash flows.

In addition to individual impairment testing of all individually significant customers, collective impairment testing is performed for groups of customers that have not been found to be impaired on an individual level. The purpose of collective loan loss reserves is to account for value reductions in the performing credit portfolio due to loss events that have occurred. The Nordea Group’s model for collective provisions uses a statistical model as a baseline for assessing the amount of provisions needed for the parts of the Nordea Group’s portfolios that are not individually assessed. The collective provisioning model is based on the migration of rated customers in the credit portfolio. The assessment of collective impairment is built on an incurred loss concept, where the credit quality of each exposure is related to its initial credit quality. If the credit quality has deteriorated, collective provisions corresponding to a true and fair assessment of the expected loss is calculated by the model. Moreover, defaulted customers without individual provisions are also collectively assessed. The output of the model is complemented with an expert-based analysis process to ensure adequate provisioning. The model is executed quarterly and the output is a result of a bottom-up calculation from sub-exposure level, taking the latest portfolio development into account. The rationale for this two-step procedure with both individual and collective assessment is to ensure that all incurred losses are accounted for up to and including each balance sheet date. Impairment losses recognised for a group of loans represent an interim step pending the identification of impairment losses for an individual customer.

Measurement Methods

The primary quantitative tools for assessing credit risk are the rating and scoring models, which lay the foundation for the PD estimation. In addition, there are models used to assess such prudential indicators as loss given default (LGD) and exposure at default (EAD). The Nordea Group is approved by the financial supervisory authorities to use the IRB approach when calculating the capital requirements for the main part of its credit portfolio.

The Nordea Group uses a variety of capital measurements and capital ratios to manage its capital. The Nordea Group calculates its regulatory capital requirements under the CRD IV/CRR framework. The Nordea Group is approved by the financial supervisory authorities to use the IRB approach when calculating the capital requirements for the main part of its credit portfolio. The Nordea Group uses the Advanced IRB approach for corporate lending in the Nordic countries and in the International Units. The Retail IRB approach is used for the Nordic retail exposure classes and mortgage companies as well as for the Finnish finance company. The Foundation IRB approach is used for exposures in the Nordic finance companies, Nordea Bank Russia as well as derivative and securities lending exposures. Nordea uses the standardised approach to calculate risk exposure amount (REA) for exposures to equities in the banking book. Acquisitions of new portfolios are treated under the standardised approach until they are approved for the IRB approach by the relevant financial supervisory authority.

The common element of both rating and scoring is the ability to classify and rank customers according to their respective default risk. Rating and scoring are used as integrated parts of the risk management and decision-making process, including:

- the credit approval process;
- the calculation of risk exposure amount (REA);
- the calculation of Economic Capital and expected loss;
- the monitoring and reporting of credit risk;
- performance measurement using the Economic Profit framework; and
- collective impairment assessment.

A rating is an estimate that exclusively reflects the quantification of the repayment capacity of the customer, that is, the risk of customer default. The rating scale for exposure classes corresponding to corporates and institutions consists of 18 grades from 6+ (the highest rating) to 1- (the lowest rating) for non-defaulted customers, and three grades, 0+, 0 and 0-, for defaulted customers. For the sovereign exposure class, the rating scale for non-defaulted customers has two additional rating grades, 7 and 7+ and, therefore, consists of 20 grades. The repayment capacity of each rating grade is

quantified by a one year PD. A rating grade of 4- and higher is comparable to investment grade as defined by external rating agencies such as Moody's and Standard & Poor's. Rating grades 2+ and lower are considered weak or critical, and require special attention. Ratings are assigned in conjunction with credit proposals, reviews and the annual review of the customers, and are approved independently by first line of defence credit organisation. However, a customer is downgraded as soon as new information indicates this is called for. The consistency and transparency of the ratings are ensured by the use of rating models that are validated.

Credit Risk Analysis

Credit risk is measured, monitored and segmented in different ways. Credit risk in lending is measured and presented as the principle amount of on-balance sheet loans and off-balance sheet items on customers and counterparties, net after allowances. The Nordea Group's loan portfolio is broken down by customer segment, industry and geography and reported monthly, quarterly and annually.

The Nordea Group's total loans and receivables to the public decreased by 2.4 per cent to EUR 310 billion in 2017 from EUR 318 billion in 2016. The Nordea Group's total credit risk exposure as of 31 December 2017 was EUR 504 billion (including off-balance sheet exposures related to securities and life insurance operations), as compared to EUR 544 billion as of 31 December 2016. The following table sets forth the Nordea Group's credit risk exposure and loans and receivables, excluding cash and balances at central banks and settlement risk exposure, broken down by source of credit risk as of the dates indicated (for a breakdown, see also "Selected Statistical Data and Other Information—Types of Loans"):

	As of 31 December	
	2016 ⁽³⁾	2017
	(EUR million)	
Loans to central banks and credit institutions.....	20,261	13,388
Loans to the public.....	317,689	310,158
of which corporate.....	152,964	147,008
of which household.....	161,099	158,585
of which public sector.....	<u>3,626</u>	<u>4,565</u>
Total loans.....	337,950	323,546
Off-balance credit exposure ⁽¹⁾	77,881	74,398
Counterparty risk exposure.....	33,628	22,830
Treasury bills and interest-bearing securities ⁽²⁾	<u>72,700</u>	<u>72,043</u>
Total credit risk exposure in banking operations.....	522,159	492,817
Credit risk exposure in life insurance operations.....	<u>21,841</u>	<u>11,445</u>
Total credit risk exposure including life insurance operations.....	<u>544,000</u>	<u>504,262</u>

(1) Of which 90 per cent for corporate customers as of the dates indicated.

(2) Also includes treasury bills and interest-bearing securities pledged as collateral in repurchase agreements.

(3) Excludes assets held for sale as of 31 December 2016 for loans to central banks and credit institutions and loans to the public and derivatives and other interest-earning assets, and liabilities held for sale as of 31 December 2016 for deposits by credit institutions, deposits and borrowings from the public and derivatives and other interest bearing liabilities. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Loans and receivables to corporate customers decreased to EUR 147 billion as of 31 December 2017 from EUR 153 billion as of 31 December 2016, while lending to household customers decreased to EUR 159 billion as of 31 December 2017 from EUR 161 billion as of 31 December 2016. The portion of total lending to corporate customers was 47 per cent and 48 per cent as of 31 December 2017 and 2016, respectively, and to household customers 51 per cent as of both 31 December 2017 and 2016. Loans and receivables to central banks and credit institutions, mainly in the form of interbank deposits, decreased to EUR 13 billion as of 31 December 2017 from EUR 20 billion as of 31 December 2016.

Rating Distribution

Credit risk is measured utilising internal credit risk IRB models for large portion of the portfolio. The standardised approach is used for the remaining portfolios not covered by the IRB models. Group Credit Risk Report and the other analytical units are reconciling and using different IT-solutions and data sources in their analysing and reporting.

As of 31 December 2017, 84 per cent of the corporate exposure was internally rated 4- or higher, as compared to 84 per cent as of 31 December 2016. Institutions and retail customers, on the other hand, exhibit a distribution that is skewed towards the higher internal rating grades.

As of 31 December 2017, 92 per cent of the retail exposures were scored C- or higher, which indicates a PD of 1 per cent or lower.

Loans and Receivables to Corporate Customers

Real estate management remained the largest sector in the Nordea Group's corporate lending portfolio with EUR 42.0 billion as of 31 December 2017 compared to EUR 41.1 billion as of 31 December 2016 and EUR 41.8 billion as of 31 December 2015. The corporate real estate portfolio is predominantly comprised of relatively large and financially strong companies.

The following table sets forth the Nordea Group's loans and receivables to real estate management companies, broken down by country as of each date indicated:

	As of 31 December			
	2016		2017	
	(EUR billion)	(per cent)	(EUR billion)	(per cent)
Denmark	9,206	22.4	9,490	22.6
Finland	7,742	18.8	7,690	18.3
Norway	9,085	22.1	8,750	20.9
Sweden	14,461	35.1	15,850	37.8
Russia	648	1.6	0,144	0.3
Other	—	0.0	0	0.1
Total	<u>41,142</u>	<u>100.0</u>	<u>41,954</u>	<u>100.0</u>

Loans and receivables to shipping and offshore decreased to EUR 8.4 billion as of 31 December 2017 compared to EUR 10.5 billion as of 31 December 2016. The portfolio was diversified by type of vessel, with a focus on large and the most financially robust industrial players with an average internal rating of 4 each as of 31 December 2017, 2016 and 2015. The main shipping freight markets took diverging directions through 2015 with an improving oil tanker market, a weak containership market, and a historically low dry bulk market. The offshore markets weakened during 2015 as a result of reduced exploration and production spending by the oil companies due to declining oil prices. The portfolio credit quality deteriorated during 2016 as the shipping and offshore markets experienced a challenging operating environment due to lower than expected demand and significant oversupply. In 2017, after several years of cyclical weakness across all shipping segments, the global shipping markets started to benefit from the lack of newbuilding ordering in the prior years. The offshore markets continued to be negatively affected by the low oil price and lower exploration and production spending by oil and gas companies in 2017. The Nordea Group's approach to the shipping and offshore industries has remained unchanged with conservative lending terms and countercyclical lending policy. Reflecting the Nordea Group's global customer strategy, there is an even distribution between Nordic and non-Nordic customers.

The following table sets forth the Nordea Group's exposure to the shipping, offshore and oil services industry, by segment, as of each date indicated:

	As of 31 December					
	2015		2016		2017	
	(EUR billion)	(per cent)	(EUR billion)	(per cent)	(EUR billion)	(per cent)
Bulk carriers	1.6	15	1.4	13	1.2	14
Product tankers	0.8	8	0.8	7	0.6	7
Crude tankers	1.3	12	1.4	14	1.3	15
Chemical tankers	0.6	6	0.6	6	0.5	6
Gas tankers	1.7	16	1.8	17	1.4	17
Other shipping	1.9	18	1.9	18	1.4	17
Offshore and oil services	2.5	24	2.6	25	2.0	24
Total exposure	<u>10.5</u>	<u>100</u>	<u>10.5</u>	<u>100</u>	<u>8.4</u>	<u>100</u>

The distribution of loans and receivables to corporates by size of loans shows a high degree of diversification. The following table sets forth the Nordea Group's loans and receivables to corporate customers, broken down by the size of the loans, as of each date indicated:

	As of 31 December					
	2015		2016		2017	
	(EUR billion)	(per cent)	(EUR billion)	(per cent)	(EUR billion)	(per cent)
0 – 10 million	74.8	42	68.3	44	64.2	44
10 – 50 million	42.0	24	37.3	24	35.8	24
50 – 100 million	20.1	11	19.9	13	19.5	13
100 – 250 million	23.4	13	17.7	12	17.0	12
250 – 500 million	8.3	5	4.7	3	5.9	4
500+ million	8.8	5	5.1	3	4.6	3
Total	<u>177.5</u>	<u>100</u>	<u>153.0</u>	<u>100</u>	<u>147.0</u>	<u>100</u>

Loans and Receivables to Household Customers

In 2017, mortgage loans and consumer loans decreased by 1.6 per cent from EUR 161 billion as of 31 December 2016 to EUR 159 billion as of 31 December 2017. Mortgage loans decreased to EUR 132 billion as of 31 December 2017 compared to EUR 133 billion as of 31 December 2016. Consumer loans amounted to EUR 26 billion as of 31 December 2017 compared to EUR 28 billion as of 31 December 2016. The portion of mortgage loans out of total household loans was 84 per cent as of 31 December 2017 compared to 83 per cent as of 31 December 2016.

The following table sets forth the breakdown of the Nordea Group's loans and receivables to the public for personal customers by type of the loan as of each of the periods presented:

	As of 31 December					
	2015		2016		2017	
	(EUR million)	(per cent)	(EUR million)	(per cent)	(EUR million)	(per cent)
Mortgage loans	130,232	82.3	133,341	82.8	132,477	83.5
Consumer loans	<u>27,919</u>	<u>17.7</u>	<u>27,759</u>	<u>17.2</u>	<u>26,107</u>	<u>16.5</u>
Total	<u>158,150</u>	<u>100.0</u>	<u>161,100</u>	<u>100.0</u>	<u>158,585</u>	<u>100.0</u>

Geographical Distribution

Lending to the public distributed by borrower domicile shows that the Nordic markets and Russia accounted for 98 per cent of total lending to the public as of 31 December 2017. The loan portfolio was geographically well diversified and no market accounted for more than 35 per cent of total lending. The other EU countries represented the main part of the lending outside the Nordic markets. As of 31 December 2017, lending to customers in Russia was EUR 1.3 billion compared to EUR 2.1 billion, as of 31 December 2016. Due to a challenging geopolitical environment, the strategy for the Nordea Group's Russian operations was sharpened in 2015 with focus on the largest Russian and Nordic international companies. Due to elevated risks in several sectors, the Nordea Group applied a more selective approach for all new business. Together with decreased economic activity, this led to a reduction in the Russian loan portfolio in 2015. In 2016, due to the continued challenging geopolitical and economic environment, and in line with the Nordea Group's strategy to reduce its risks and exposure in Russia and focus on corporate banking services only, the Nordea Group made a decision in 2016 to sell its existing portfolio of mortgage and consumer loans in Russia.

For more information on the geographic distribution of the Nordea Group's loan portfolio, see "Selected Statistical Data and Other Information—Loans Outstanding by Jurisdiction and Industry".

Transfer Risk

The Nordea Group's transfer risk exposure is dominated by a few countries and is primarily short-term and trade related. Asia, Middle East and Latin America accounted for the majority of the transfer risk exposure as of 31 December 2017. To recognise the risk related to lending to developing countries, the Nordea Group carries transfer risk allowance and provisions for non-investment grade rated countries.

Securitisation

The Nordea Group acts as a sponsor for a limited number of special purposes entities. These structured entities have either been set up for enabling investments in structured credit products or with the purpose of supporting trade receivable or account payable securitisation for Nordea's corporate customers acquiring assets from customers. In accordance with IFRS, Nordea does not consolidate structured entities' assets and liabilities beyond its control (see also "Note G1—Section 5 (Principles of consolidation—Structured entities)" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus). The structured entities are not consolidated for capital adequacy purposes. Instead, loans and loan commitments to the structured entities are included in the banking book. For additional information on the structured entities established by the Nordea Group, see "Note G47" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

In the third quarter of 2016, Nordea entered into a synthetic securitisation transaction trade related to EUR 8.4 billion of the Nordea Group's loans as originator of a portfolio with corporate and small and medium-sized enterprise loans in Sweden and Denmark. The risk transfer was performed through a collateralised CDS structure. No assets were derecognised from Nordea Group's balance sheet and the Nordea Group continues to service the loans. Investors are responsible for a pre-agreed amount of incurred credit losses of the reference portfolio. The transaction was reported as a synthetic securitisation as from the third quarter of 2016 and improved the Nordea Group's common equity tier 1 (CET1) capital ratio by approximately 30 basis points.

Impaired Loans

Impaired loans, gross, increased to EUR 6,068 million as of 31 December 2017 from EUR 5,550 million as of 31 December 2016. Allowances for individually assessed loans increased slightly to EUR 1,936 million as of 31 December 2017 from EUR 1,913 million as of 31 December 2016. The ratio of allowances to cover impaired loans, gross, was 38 per cent. Allowances for collectively assessed exposures were EUR 397 million in 2017 compared to EUR 513 million in 2016. Provisions for off-balance sheet items for lending to the public were EUR 91 million as of 31 December 2017 compared to EUR 71 million as of 31 December 2016.

In 2017, the increase in impaired loans was mainly related to energy. The industries with the largest increases in impaired loans were shipping and offshore industry and energy industry. The offshore portfolio remained weak during 2017 as the shipping and offshore markets continued to experience a challenging operating environment due to lower than expected demand and significant oversupply. The Nordea Group's approach to the shipping and offshore industries has remained unchanged with conservative lending terms and countercyclical lending policy.

The following tables set forth the Nordea Group's loans and receivables, impaired loans and allowances, by customer type as of each date indicated:

	As of 31 December 2017					
	Loans after allowances	Impaired loans before allowances	Impaired loans of loans	Allowances for collectively assessed loans	Individual allowances	Total provisioning ratio
	(EUR million)		(per cent)	(EUR million)		(per cent)
To central banks and credit institutions	13,388	–	0.00	–	–	210
of which central banks.....	4,796	–	–	–	–	–
of which other credit institutions.....	8,592	–	0.00	–	–	210
To the public	310,158	6,068	1.94	397	1,936	38
of which corporate.....	147,008	4,247	2.85	289	1,582	44
Energy (oil, gas, etc.).....	1,867	856	40.70	28	209	28
Metals and mining materials.....	688	39	5.53	2	18	52
Paper and forest materials.....	1,301	7	0.53	2	2	55
Other materials (chemical, building materials, etc.).....	3,994	260	6.30	8	120	49
Industrial capital goods.....	1,643	60	3.50	22	38	100
Industrial commercial services, etc.	11,189	356	3.13	11	158	47
Construction and engineering.....	4,788	156	3.20	8	75	53
Shipping and offshore.....	8,377	275	3.22	81	93	63
Transportation.....	3,211	64	1.96	6	27	50
Consumer durables (cars, appliances, etc.).....	1,987	212	10.27	6	73	37
Media and leisure.....	2,336	32	1.38	2	20	69
Retail trade.....	8,725	316	3.56	12	146	50
Reversed repurchase agreements to corporates.....	16,292	–	–	–	–	–
Consumer staples (food, agriculture, etc.).....	9,665	740	7.48	20	208	31
Health care and pharmaceuticals.....	1,405	14	1.03	1	5	39
Financial institutions.....	15,376	350	2.26	2	125	36
Real estate management and investment.....	41,954	398	0.95	60	117	44
IT software, hardware and services.....	1,946	52	2.61	2	30	63
Telecommunication equipment.....	29	1	4.39	–	1	51
Telecommunication operators.....	886	15	1.63	1	32	217
Utilities (distribution and production).....	4,895	31	0.62	1	24	83
Other, public and organisations.....	4,457	12	0.27	15	63	632
of which household.....	158,585	1,821	1.14	107	354	25
mortgage financing.....	132,477	1,008	0.76	48	75	12
consumer financing.....	26,107	813	3.07	59	279	42
of which public sector.....	4,565	–	–	–	–	–
Total loans	323,546	6,068	1.86	397	1,936	38
of which loans in the life insurance operations.....	–	–	–	–	–	–

As of 31 December 2016 ⁽¹⁾						
	Loans after allowances	Impaired loans before allowances	Impaired loans of loans	Allowances for collectively assessed loans	Individual allowances	Total provisioning ratio
	(EUR million)		(per cent)	(EUR million)		(per cent)
To central banks and credit institutions	20,261	9	0.04	2	0	27
of which central banks.....	11,235	–	–	–	–	–
of which other credit institutions.....	9,026	9	0.09	2	0	27
To the public⁽¹⁾	317,689	5,541	1.73	511	1,913	44
of which corporate.....	152,964	3,533	2.28	394	1,506	54
Energy (oil, gas, etc.).....	2,678	116	4.17	23	77	86
Metals and mining materials.....	856	63	7.07	1	36	58
Paper and forest materials.....	1,610	7	0.45	2	2	51
Other materials (chemical, building materials, etc.).....	4,589	220	4.68	8	103	50
Industrial capital goods.....	1,959	34	1.70	22	21	125
Industrial commercial services, etc.	11,738	392	3.29	14	180	49
Construction and engineering.....	5,158	160	3.05	8	77	54
Shipping and offshore.....	10,494	244	2.27	148	91	98
Transportation.....	3,659	45	1.22	4	24	60
Consumer durables (cars, appliances, etc.).....	1,611	123	7.27	20	62	67
Media and leisure.....	2,472	63	2.52	4	29	54
Retail trade.....	9,003	331	3.61	14	151	50
Reversed repurchase agreements to corporates.....	19,176	–	–	–	–	–
Consumer staples (food, agriculture, etc.).....	10,796	909	8.20	46	255	33
Health care and pharmaceuticals.....	1,393	18	1.30	1	6	41
Financial institutions.....	13,600	284	2.03	0	162	57
Real estate management and investment.....	41,142	400	0.97	57	127	46
IT software, hardware and services.....	1,634	65	3.92	1	37	58
Telecommunication equipment.....	76	1	1.44	0	1	79
Telecommunication operators.....	1,044	16	1.47	1	26	167
Utilities (distribution and production).....	5,109	23	0.44	1	16	76
Other, public and organisations.....	3,166	19	0.63	19	23	223
of which household.....	161,099	2,008	1.24	117	407	26
mortgage financing.....	133,341	1,126	0.84	23	60	7
consumer financing.....	27,759	882	3.13	94	348	50
of which public sector.....	<u>3,626</u>	–	0.00	–	–	–
Total loans	<u>337,950</u>	<u>5,550</u>	<u>1.63</u>	<u>513</u>	<u>1,913</u>	<u>44</u>
of which loans in the life insurance operations.....	375	–	–	–	–	–

(1) Excludes the Nordea Group's Baltic operations reported as assets held for sale as of 31 December 2016. See "Operating and Financial Review and Prospects—Results of Operations—Introduction—Presentation of Disposal Groups Held for Sale" and "Note G42" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2016 incorporated by reference into this Prospectus.

Past due loans that are not impaired were EUR 747 million for corporate customers and EUR 1,286 million for household customers, in each case as of 31 December 2017. The following table sets forth the Nordea Group's past due non-impaired loans, by customer type, as of 31 December 2017:

	As of 31 December 2017	
	Corporate customers	Household customers
	(EUR million, unless otherwise indicated)	
6 – 30 days.....	374	802
31 – 60 days.....	133	233
61 – 90 days.....	84	84
>90 days.....	<u>156</u>	<u>167</u>
Total	<u>747</u>	<u>1,286</u>
Past due non-impaired/loans to the public after allowances, per cent.....	0.51	0.81

Risk in Derivatives

Derivative contracts are financial instruments, such as futures, forwards, swaps or options that derive their value from underlying interest rates, currencies, equities, credit spreads or commodity prices. Derivative contracts are often traded OTC, that is, the terms connected to the specific contract are individually defined and agreed with the counterparty. The Nordea Group invariably enters into derivative contracts based on customer demand, both directly and in order to hedge positions that arise through such activities, including in assets such as traded corporate bonds and basket credit derivatives. The Nordea Group also uses interest rate swaps and other derivatives in its hedging of the assets and liability mismatches in the balance sheet and, within clearly defined risk limits, uses derivatives to take open positions on its operations. The derivative contracts are evaluated at fair value on an ongoing basis and affect the reported result as well as the balance sheet.

The Nordea Group does not currently actively use credit derivatives in connection with its own credit portfolio. The Nordea Group acts as an intermediary in the credit derivatives market, mainly in Nordic names, and is also using credit derivatives to hedge positions in corporate bonds and synthetic collateralised debt obligations ("CDOs"). Typical credit derivative products used by the Nordea Group are single name CDSs and index CDSs. When the Nordea Group sells protection in a CDO transaction, the Nordea Group carries the risk of losses in the reference portfolio on the occurrence of a credit event. When the Nordea Group buys protection on a CDO transaction, any losses in the reference portfolio, in

which the Nordea Group has not necessarily invested, triggered by a credit event is then carried by the seller of protection.

The Nordea Group hedges the risk from CDOs with a portfolio of CDSs. CDSs are also used to hedge exposure in corporate bonds. CDSs are credit derivatives that allow a counterparty to buy (or sell) protection against default of an asset, a loan or bond or receivable, by paying (or receiving from) a derivative dealer, the seller (or buyer) of protection, for example a periodic fee, expressed as a percentage of the notional amount of an asset. The risk positions are subject to various types of market risk limits, including VaR, and the CDO valuations are subject to fair value adjustments for model risk. These fair value adjustments are recognised in the income statement.

Calculated in accordance with the pillar 3 requirements applicable in 2015 and 2016, the total notional protection bought and sold by the Nordea Group was EUR 45,614 million and EUR 46,813 million, respectively, as of 31 December 2015 and EUR 37,118 million and EUR 38,199 million as of 31 December 2016. The following table sets forth the breakdown of the Nordea Group's credit derivatives exposures as of 31 December 2017 calculated in accordance with the pillar 3 requirements applicable in 2017:

	Credit derivative hedges as of 31 December 2017	
	Protection bought	Protection sold
	(EUR million)	
Notionals		
CDSs	39,760	38,610
Credit options	280	0
Total notionals	40,040	38,610

Credit derivative transactions affect market risk, operational risk, liquidity risk as well as counterparty risk. The Nordea Group's policy is to enter into bilateral, cross product close-out netting arrangements with counterparties to manage this counterparty risk, and accordingly, it is not possible to quantify the counterparty risk arising from credit derivatives on a stand-alone basis. Counterparties from which the Nordea Group buys protection are typically subject to a financial collateral agreement, and therefore the exposure is covered by collateral placements.

In the third quarter of 2016, Nordea entered into a synthetic securitisation transaction trade related to EUR 8.4 billion of the Nordea Group's loans as originator of a portfolio with corporate and small and medium-sized enterprise loans in Sweden and Denmark. The risk transfer was performed through a collateralised CDS structure. No assets were derecognised from the Nordea Group's balance sheet and the Nordea Group continues to service the loans. Investors are responsible for a pre-agreed amount of incurred credit losses of the reference portfolio. See also "*Operating and Financial Review and Prospects—Capital Adequacy*".

Counterparty Credit Risk

Counterparty credit risk is the risk that a counterparty in a foreign exchange, interest, commodity, equity or credit derivatives contract defaults prior to maturity of the contract and that the Nordea Group at that time has a contractual claim on the counterparty. Counterparty credit risk also appears in repurchasing agreements and other securities financing contracts. Counterparty credit risk is subject to credit limits like other credit exposures and is treated accordingly. Counterparty credit risk arises mainly in the trading book, but also in the banking book as a result of active asset and liability management.

For the main part of the OTC derivatives exposure, the Nordea Group used an internal model to calculate the counterparty credit risk in each of 2017, 2016 and 2015. Current exposure net (after close-out netting and collateral reduction) was EUR 8.5 billion as of 31 December 2017, of which 30 per cent was towards financial institutions.

To reduce the exposure towards single counterparties, the Nordea Group uses risk mitigation techniques. The most significant is the use of legally enforceable close-out netting agreements, which allow the Nordea Group to net positive and negative market values on contracts under the agreement in the event of default of the counterparty. The Nordea Group also mitigates the exposure primarily towards banks, institutional counterparties and hedge funds by the use of financial collateral agreements, where collateral is placed or received to cover the current exposure. The collateral is mainly cash (EUR, USD, DKK, SEK and NOK), but also government bonds and to a lesser extent mortgage bonds. While some agreements still contain clauses that may require collateral postings in case of a Nordea Group downgrading, the Nordea Group's financial collateral agreements do not typically contain trigger dependent features, such as rating triggers. Finally, in order to reduce bilateral counterparty credit risk, central counterparties have been increasingly used by the Nordea Group for clearing of OTC derivatives, and by the end of 2017 central counterparties were mainly used by the Nordea Group to clear interest rate derivatives and repurchase transactions and to a smaller extent credit derivatives. The Nordea Group continues to assess the possibility to clear more derivative volumes through central counterparties in order to further reduce bilateral counterparty credit risk and to comply with the clearing obligation. The Nordea Group's

policy is to use central counterparties if possible. The Nordea Group also employs CDS protection to hedge credit value adjustment risk. Hedges that are deemed as eligible hedges under the CRR are used to offset exposure at default (EAD) in the standardised credit value adjustment method charge.

Settlement Risk

Settlement risk is a type of credit risk arising during the process of settling a contract or execution of a payment. The risk amount is the principal of the transaction, and the potential loss that could occur if a counterparty were to default after the Nordea Group has given irrevocable instructions for a transfer of a principal amount or security, but before receipt of the corresponding payment or security. The settlement risk on individual counterparties is restricted by settlement risk limits. Each counterparty is assessed in the credit process, and clearing agents, correspondent banks and custodians are selected with a view of minimising settlement risk.

Nordea is a shareholder of, and participant in the global foreign exchange clearing system, Continuous Linked Settlement (the “CLS”), which eliminates the settlement risk of foreign exchange trades in these currencies and with those eligible counterparties for CLS. For those counterparties and foreign exchange trades that are not eligible for CLS clearing, the Nordea Group’s policy is to settle via in-house accounts. Only with specific credit approval from appropriate credit committee external settlement is allowed, and in those situations the Nordea Group makes use of bilateral payment netting in order to reduce, to the greatest extent possible, the exchanged amounts.

Market Risk

Market risk is defined as the risk of losses related to the Nordea Group’s financial exposures resulting from changes in market rates and related assumptions that affect the market value, for example, changes to interest rates, credit spreads, foreign exchange rates, equity prices, commodity prices and option volatilities.

Nordea Markets within Wholesale Banking, together with Group Treasury & ALM within Group Finance and Treasury, are the key contributors to market risk in the trading and banking books in the Nordea Group. Nordea Markets is responsible for the Nordea Group’s customer-driven trading activities, whereas Group Treasury & ALM is responsible for short-term funding activities and investment activities for the Nordea Group’s own account, asset and liability management, liquidity portfolios, pledge/collateral account portfolios as well as all other banking activities.

Structural Market Risks

Structural foreign exchange risk arises from the mismatch in currency composition between assets and capital. The mismatch creates volatility in the capital ratios, including the common equity tier 1 (CET1) capital ratio, from the revaluation of foreign currency assets and capital to euro, the Nordea Group’s functional currency.

Earnings and costs generated in foreign currencies or from foreign branches generate a foreign exchange exposure, which for the individual Nordea Group legal entities is handled in each entity’s foreign exchange position.

In addition to the immediate change in the market value of the Nordea Group’s assets and liabilities that could be caused by a change in financial market variables, a change in interest rates could also affect the net interest income of the Nordea Group over time. The Nordea Group sees this as SIIR. See “—*Liquidity Management*” and “—*Structural Interest Income Risk*” below.

Other Market Risks

Market risk on the Nordea Group’s account also arises from the Nordea Group-sponsored defined benefit pension plans for employees (pension risk) and from the investment risks associated with Life & Pensions.

Governance of Market Risk

Group Market and Counterparty Credit Risk has the responsibility for the development and maintenance of the Group-wide market risk framework. The framework defines common management principles and policies for market risk management within the Nordea Group. These principles and policies are approved by the board of directors. The market risk framework is reviewed annually. The review includes all governance documentation, the risk appetite framework and all risk management strategies for market risk. In addition, the framework is reviewed as necessary as new regulation, business strategies and market conditions require.

The Nordea Group incurs market risks as part of its business model in supporting customer and client activity and is required to manage and control this exposure in adherence with the market risk appetite of the Nordea Group. The Nordea Group manages market risk through a comprehensive policy framework, clearly defined risk mandates, a strategy to hedge risks, a framework for approval of traded financial instruments and valuation methods, a clearly defined trading book / banking book boundary framework, proactive information sharing between trading and risk control as well as timely reporting to the Nordea Group’s senior management.

Market Risk Appetite

The board of directors of Nordea formulates the Nordea Group's market risk appetite through risk appetite statements. The market risk appetite statements issued by the board of directors are defined for trading and banking books, including structural foreign currency exchange risk, in terms of the maximum reported market risk loss within one year in a severe but plausible stress event equivalent to an impact on the common equity tier 1 (CET1) capital ratio.

Measurement Methods and Reporting

The Nordea Group uses several risk measuring methods including VaR, stressed VaR, stress testing, sensitivities, scenario simulation and other non-statistical risk measures such as basis point values, net open foreign currency positions and option key risk sensitivities to capture market risk. In addition, simulation-based models are used to capture the default and migration risks from corporate debt, credit derivatives and correlation products in the trading book. These models are the Incremental Risk Measure ("IRM") and the Comprehensive Risk Measure ("CRM") models.

Market risk models are subjected to annual independent reviews by a model validation team that assesses the conceptual soundness, implementation and use of each model.

Market risk reporting is provided by a central market risk system constructed internally by the Nordea Group that calculates the Nordea Group's official market risk figures based on the position data delivered from back office systems. The aim of market risk reporting is to quantify total market risk for the whole Nordea Group, including individual business areas.

The market risk system serves as a tool to control processes in market risk management, with position and risk figures. The first line of defence in conjunction with the second lines of defence provides and validates risk calculation of aggregated risk figures. For the trading book, these figures include sensitivities, VaR, stressed VaR, IRM and CRM, which are subject to limits set as part of the risk appetite framework reported to the senior management on a daily basis or, in the case of IRM and CRM, on a weekly basis.

For the banking book, these aggregated risk figures include sensitivities, VaR and stressed VaR, which are reported on a daily basis and SIIR, which is reported monthly to the senior management. The banking book risks are also subject to limits as part of the risk appetite framework.

Value-at-Risk

The Nordea Group calculates VaR using historical simulation. The current portfolio is revaluated using daily changes in market prices and parameters observed during the last 500 trading days, thereby generating a distribution of 499 returns based on empirical data. From this distribution, the expected shortfall method is used to calculate a VaR figure, meaning that the VaR figure is based on the average of the worst outcomes from the distribution. The historical observation period assumes equally weighted market prices. The one-day VaR figure is subsequently scaled to a 10-day figure. The 10-day VaR figure is used to limit and measure market risk both in the trading book and in the banking book. The Nordea Group has received approval to use this model.

Separate VaR figures are calculated for interest rate, credit spread, foreign exchange rate, equity and inflation risks. The total VaR includes all these risk categories and allows for diversification among them. The VaR figures include a combination of full revaluation and both linear positions and options. Linear products are calculated using a linear approach, whereas options are calculated applying full revaluation. When simulating potential movements in risk factors, the Nordea Group uses relative, absolute and mixed approaches depending on the risk factor. The model has been calibrated to generate a 99 per cent VaR figure.

However, it is important to note that while every effort is made to make the VaR model as realistic as possible, all VaR models are based on assumptions and approximations that have a significant effect on the risk figures produced. While historical simulation has the advantage of not being dependent on a specific assumption regarding the distribution of returns, it should be noted that the historical observations of the market variables that are used as input, may not give an adequate description of the behaviour of these variables in the future. The choice of the time period used is also important. While using a longer time period may enhance the model's predictive properties and lead to reduced cyclicalities, using a shorter time period increases the model's responsiveness to sudden changes in the volatility of financial markets. The Nordea Group's choice to use the last 500 days of historical data has been made with the aim to strike a balance between the benefits and disadvantages of using longer or shorter time series in the calculation of VaR.

The Nordea Group also utilises an internal VaR measurement, "Management VaR". Management VaR includes the risk factors that can be used in the regulatory VaR upon approval by the relevant financial supervisory authority. In all other ways, the models are identical.

Stress Testing

Stress tests are important tools integrated into the market risk management framework. Stress tests are used to estimate the possible losses that may occur under extreme, but plausible, market conditions. The main types of stress tests utilised include:

- subjective stress tests, where the portfolios are exposed to scenarios for financial developments that are deemed particularly relevant at a particular time – these scenarios are based on the financial, the macroeconomic or geopolitical situation, or the current composition of the portfolio or a particular sub-portfolio;
- sensitivity tests, where rates, spreads, prices and/or volatilities are shifted markedly to emphasise exposure to situations where historical correlations fail to hold;
- a sensitivity measure, where the potential loss stemming from a sudden default of an issuer of a bond or the underlying in a CDS is measured; and
- reversed stress tests, which assess and try to identify the type of events that could lead to losses equal to or greater than a predefined level.

Subjective stress tests and sensitivity tests are conducted monthly for the consolidated risk across the banking book and the trading book across the different sub-portfolios. Reversed stress tests are conducted monthly for the trading book.

While these stress tests measure risk over a shorter time horizon, market risk is also a part of the Nordea Group's comprehensive Group-wide Internal Capital Adequacy Assessment Process ("ICAAP") stress test, which measures risk over a three-year horizon.

Market Risk Analysis

Market Risk for the Trading Book

The following table sets forth the market risk for the Nordea Group's trading book for the year ended 31 December 2017 and as of 31 December 2015, 2016 and 2017:

Measure	For the year ended 31 December 2017			As of 31 December			
	High	Low	Average	2015	2016	2017	
	(EUR million, unless otherwise indicated)						
Total risk	VaR	25	7	13	33	16	11
Interest rate risk	VaR	24	6	11	32	12	10
Equity risk	VaR	8	2	3	7	5	3
Credit spread risk	VaR	8	3	5	6	6	4
Foreign exchange risk	VaR	23	2	6	4	4	5
Diversification effect	per cent	66	27	49	32	42	50

The total VaR for the Nordea Group's trading book was EUR 11 million as of 31 December 2017 compared to EUR 16 million as of 31 December 2016 and EUR 33 million as of 31 December 2015. The decrease in total VaR over the years was primarily driven by the introduction of local scaling on the VaR calculation for interest rate risk.

Interest Rate Risk in the Banking Book

Monitoring of the interest rate risk in the banking book is done daily by measuring and monitoring VaR by controlling interest rate sensitivities, which measure the immediate effects of interest rate changes on the fair values of assets, liabilities and off-balance sheet items. The market risk of the Nordea Group's banking book from movements in interest rates can materialise through both changes in the net present value of future cash flow from financial instruments, and change in net interest rate income. The risk of changes in net present value of future cash flow from changing interest rates is measured by economic value risk measures, including the VaR and stressed VaR, and by scenario simulation. The risk of a decrease in expected net interest income from changes in interest rates is measured through scenario simulation. As of 31 December 2017, the interest rate VaR in the banking book was EUR 47 million, as compared to EUR 58 million as of 31 December 2016 and EUR 76 million as of 31 December 2015.

The following table sets forth the net effect on fair value of a parallel shift in rates of up to 100 basis points as of 31 December 2017:

	As of 31 December 2017			
	+100 bps	+50 bps	-50 bps	-100 bps
	(EUR million)			
Danish krone.....	(91.9)	(46.0)	45.4	88.1
Euro	43.4	20.4	(17.5)	(34.4)
Norwegian krone	(31.1)	(15.6)	15.6	31.1
Swedish krona	(85.3)	(43.1)	44.6	90.2
U.S. dollar.....	(6.0)	(3.0)	3.0	6.3
Total⁽¹⁾	(172.7)	(88.1)	92.1	183.3

(1) The total amounts are netted and include currencies that are not specified in the table. In accordance with an analysis of account holder behaviour, a portion of non-maturing deposit accounts are assumed to be fixed term.

Equity Holdings in the Banking Book

The fair value of equity holdings in the banking book was EUR 604 million as of 31 December 2017 (EUR 666 million as of 31 December 2016). This amount includes the Nordea Group's portfolio of illiquid alternative investments with a fair value of EUR 554 million as of 31 December 2017 (EUR 517 million as of 31 December 2016), of which private equity funds represented EUR 265 million, hedge funds EUR 11 million, credit funds EUR 202 million and seed-money investments EUR 76 million. All four types of investments are spread over a number of funds.

Operational Risk

The Nordea Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. The risk of loss includes direct or indirect financial loss, and impacts from regulatory sanctions, legal exposure, reputational damage and critical business process disruption.

Operational risks are inherent in all of the Nordea Group's businesses and operations. Consequently, managers throughout the Nordea Group are accountable for the operational risks related to their area of responsibility and to manage these within limits and risk appetite in accordance with the operational risk management framework. Group Operational Risk constitutes the second line of defence for operational risk and is responsible for developing and maintaining the overall operational risk management framework. Group Operational Risk monitors and controls that operational risks are appropriately identified and mitigated, follows up risk exposures towards risk appetite as well as assesses the implementation of the operational risk management framework. The focus areas for the control work performed by Group Operational Risk are decided in annual and quarterly planning processes and cover several areas within the businesses, key risk areas across Nordea (such as cyber risk) and operational risk processes. Group Operational Risk is responsible for providing reports on operational risk to the CRO who reports regularly to the CEO and the board of directors.

The general principles for management of operational risks within the Nordea Group are set out in the Group Directives on risk as well as on internal governance. Based on these principles, supporting CEO instructions and guidelines for operational risks are established, and these together form the operational risk management frameworks for the Nordea Group. Management of operational risks includes all activities aimed at identifying, assessing, controlling, mitigating, monitoring and reporting risks. Risk exposures are governed by limits set within the boundaries of the risk appetite.

The frameworks include the processes supporting identification and assessment of operational risks. Risks are identified through various processes including the reporting of incidents, approval of changes, as well as regular risk assessment processes. Risks are assessed by probability and impact, and mitigating actions are established based on the severity of the risk. Monitoring and control is an important part of risk management. Monitoring and control are responsible for, among other things, that risks are appropriately identified and mitigated, that risk exposures are kept within limits, that risk management procedures are efficient and to ensure adherence to internal and external rules.

Compliance Risk

The Nordea Group defines compliance risk as the risk of failure to comply with statutes, laws, regulations, business principles, rules of conduct, good business practices and related internal rules governing the Nordea Group's activities subject to authorisation in any jurisdiction where the Nordea Group operates, which could result in material financial or reputational loss to the Group, regulatory remarks or sanctions.

Compliance risk management is organised in accordance with the internal control principle of three lines of defence. Members of the first line of defence, represented by the business areas and Group functions, are risk owners, and as such are responsible for their own daily management and control of compliance risks. The management at all levels is responsible for operating the business within defined limits for risk exposure and in accordance with decided directives,

instructions and risk management processes, and for implementing and executing Group-level and business area level instructions and guidelines.

Group Compliance is the Nordea Group's independent compliance function. It has the responsibility to maintain oversight of compliance risk management across the entire Group. The function is responsible for identifying compliance risks and performing monitoring and control to ensure that the risks are managed by the relevant functions. Group Compliance helps the Nordea Group be a good corporate citizen by ensuring compliance risks are addressed as a natural part of the business. Group Compliance is headed by the Group Compliance Officer and has implemented a strong operating model and established a compliance risk policy, to which all of Nordea's staff is subject. The policy outlines principles as well as roles and responsibilities in relation to compliance risk. Core compliance processes and risk groups (which address key compliance risks across the line organisation and processes) have been identified, established and documented.

The Group Compliance Officer is generally present at the Board Operations and Compliance Committee meetings. The Group Compliance Officer may participate in discussions at the Board Operations and Compliance Committee meetings but has no decision power. For a discussion of the Board Operations and Compliance Committee of Nordea's board of directors, see *"Board of Directors, Management and Auditors—Board Committees—Board Operations and Compliance Committee"*.

Supervisory authorities regularly conduct investigations on the Nordea Group's regulatory compliance, including compliance with anti-money laundering and economic and financial sanctions requirements. As of the date of this Prospectus, the Nordea Group is subject to certain ongoing investigations, which include the investigation concerning the compliance of Nordea Bank Danmark A/S with applicable anti-money laundering regulations and the inquiries related to the Panama papers discussed in more detail below. The Nordea Group is also responding to inquiries from U.S. governmental authorities regarding historical compliance with certain U.S. financial sanctions during 2008–2013. As of the date of this Prospectus, the outcome of such investigations, which could include criticism and/or penalties, is pending. See also *"Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environments in which the Nordea Group Operates—Legal and regulatory claims arise in the conduct of the Nordea Group's business"*.

In May 2015, Nordea received a warning and a SEK 50 million fine from the SFSA for insufficient processes to counteract money laundering and terrorist financing. Although Nordea believes it had taken thorough measures to strengthen this area, the fine proved that Nordea had underestimated the complexity and the resources needed to meet all requirements.

In June 2015, the DFSA investigated the compliance of Nordea Bank Danmark A/S with applicable anti-money laundering regulations. Nordea announced on 17 June 2016 that the DFSA's investigation had resulted in criticism and that the matter will, in accordance with Danish administrative practice, be handed over to the Danish police for further handling and possible sanctions. In August 2017, Nordea announced that it had received a visit related to this investigation from the representatives of the Danish Prosecution Service and that Nordea was cooperating with the Danish Prosecution Service.

To address the deficiencies highlighted by supervisory authorities, the Nordea Group has established a financial crime change programme, which is a holistic approach to developing a Group-wide and sustainable standard for the prevention of financial crime. Broader activities aimed at strengthening the general compliance framework in the Nordea Group have also been accelerated. Initiatives are targeted both at strengthening regulatory implementation capability in the first line, and strengthening Group Compliance to ensure the second line role is executed in accordance with regulatory and internal requirements. In addition to the financial crime change programme, the Nordea Group is investing in enhanced compliance standards, processes and resources. The Nordea Group has strengthened its organisation to significantly enhance the risk frameworks related to anti-money laundering and sanction management. The Nordea Group has also developed a revised operating model for Group Compliance, accelerated compliance-related recruitment and introduced dedicated first line compliance and operational risk support units. In addition, the Nordea Group has established a Business Ethics and Values Committee and a cultural transformation programme to embed stronger ethical standards into its corporate structure.

In April 2016, the so-called "Panama papers", that is, more than 11.5 million documents leaked from the files of a Panamanian law firm, were released to the public. The Panama papers primarily comprise documentation with respect to offshore companies set up by a Panamanian law firm. Following the publication of the Panama papers, the SFSA and other authorities in markets where the Nordea Group operates have requested information related to customers with offshore structures and the Nordea Group's role in relation to such structures. Nordea also initiated an internal investigation following the publication of the Panama papers to assess whether the Panama-related offshore structures in Nordea Bank S.A. in Luxembourg ("**Nordea Bank Luxembourg**") and Nordic Private Banking had adhered to internal policies as well as external tax rules and anti-money laundering. In July 2016, Nordea announced that the internal investigation had been completed. The investigation did not find evidence that employees had initiated the establishment

of offshore structures, nor that they had proactively contributed to customers' potential tax evasion. The investigation did, however, find that many of the reviewed know-your-customer files did not meet the standards set forth in the Nordea Group's policy. These findings were mainly related to the so-called enhanced due diligence required for high-risk customers. Nordea has decided on a number of actions to address the key findings and recommendations made in connection with the investigation. These actions include the integration of Nordea Bank Luxembourg into the Nordea Group's Nordic organisation to ensure a consistent implementation of compliance policies. The Nordea Group has also established an internal tax board to strengthen its tax compliance organisation.

In March 2017, the SFSA announced that Nordea will not be subject to sanctions by the SFSA in connection with the SFSA's investigation relating to the Panama papers. In December 2017, the Luxembourg Financial Supervisory Authority announced that it had imposed fines in the aggregate amount of EUR 2,012,000 on nine supervised entities, including Nordea Bank Luxembourg, for breaches of Luxembourg laws and regulations. For Nordea Bank Luxembourg, the breaches were related to historic deficiencies that were acknowledged in Nordea's internal investigation related to the Panama papers completed in July 2016, and actions have been taken by Nordea to address those deficiencies. As of the date of this Prospectus, inquiries relating to the Panama papers by other authorities are still ongoing and it is too early to assess their outcome. See also "*Risk Factors—Risks Relating to the Nordea Group's Operations—Risks Relating to the Legal and Regulatory Environment in which the Nordea Group Operates—Legal and regulatory claims arise in the conduct of the Nordea Group's business*".

Life Insurance Risk and Market Risks in the Life Insurance Operations

The Life & Pensions business consists of a range of different life and health products, from endowments with a duration of a few years to long-term pension savings contracts with durations of more than 40 years. There continues to be a strategic move away from traditional business, where policyholders are offered guaranteed investment returns, to market return business, where policyholders bear more of the investment risk and benefit from any upside in the return attained. The two major risks in the Life & Pensions insurance business are market risk and life insurance risks.

Market risk arises within Life & Pensions mainly from the sensitivity of the value of assets and liabilities to changes in the level or in the volatility of market prices or rates. Market risk in Life & Pensions emerges from both participating savings products and unit-linked savings products, where the first is the largest contributor to the solvency capital requirement. In addition, Life & Pensions is exposed to market risk through the investment of the shareholder's equity. Equity, credit spread, interest rate and property risks are the main contributors to the market risk in Life & Pensions. Market risks are regularly monitored by performing stress tests (including standalone equity and interest rate shocks as well as combination stresses) and macroeconomic scenario analysis to reflect the current market environment. The results of stress tests and scenario analysis are monitored against limits and targets set in the Nordea Group's internal policies. Interest rate and equity risk is mitigated by applying different hedging and asset allocation strategies.

The life insurance risk is the risk of unexpected losses due to changes in the level, trend or volatility of mortality rates, longevity rates, disability rates and surrender/lapse rates. Among life insurance risk, lapse risk and longevity risk are considered the most important for Life & Pension. Lapse risk is linked to policyholder behaviour and is mitigated through ensuring that products meet the customers' needs. Lapses are stress tested, monitored and reported monthly. Monitoring helps Life & Pensions to identify emerging trends. Longevity risk is primarily controlled through setting appropriate tariffs and adjusting life parameters for trends and life expectancy. The mortality rates and life expectancies are updated and benchmarked annually.

Liquidity Management

Management Principles and Control

Group Treasury & ALM, in its role as the first line of defence, is responsible for pursuing the Nordea Group's liquidity and funding strategy in compliance with the liquidity risk appetite. Group Treasury & ALM manages and executes liquidity risk management processes, which include issuing funding and capital, managing liquidity buffers, and defining the principles for pricing liquidity risk. Group Risk Management and Control, in its role as second line of defence, provides independent risk oversight of liquidity risk management at the Nordea Group and is responsible for establishing the internal rules framework for managing liquidity risk and performing independent liquidity stress testing.

The board of directors of Nordea has the ultimate change responsibility for asset and liability management of the Nordea Group as a group that is, limiting and monitoring the Nordea Group's structural risk exposures. The board of directors defines the liquidity risk appetite by setting limits for the liquidity risk measures that are applied. Risks in the Nordea Group are measured and reported according to common principles and policies approved by the board of directors. These policies are reviewed at least annually. The Risk Committee decides on, within the scope of resolutions adopted by the board of directors, the allocation of the liquidity risk limits.

The ALCO, chaired by the CFO, monitors and decides on principles for the performance management framework, and financial planning and coordinates balance sheet management activities. The ALCO monitors and steers the Nordea

Group's overall balance sheet, capital position and its development. Group Treasury & ALM operationalises the targets and limits and develops the first line of defence liquidity risk management frameworks.

Liquidity Risk Management Strategy

Liquidity risk is the risk that the Nordea Group is unable to service its cash flow obligations when they fall due or unable to meet its cash flow obligations without incurring significant additional funding costs. The Nordea Group's liquidity management and strategy is based on the Group Board Directive on Risk and the CEO instructions on liquidity risk resulting in various liquidity risk measures, limits and organisational procedures. The Nordea Group is subject to various liquidity regulations on group and entity level. These regulations are intended to measure and monitor levels of liquidity risk and cover both short-term liquidity risk and long-term structural risk.

Policy statements stipulate that the Nordea Group's liquidity management reflects a conservative attitude towards liquidity risk. The Nordea Group strives to diversify its sources of funding and seeks to establish and maintain relationships with investors in order to ensure market access. A broad and diversified funding structure is reflected by the strong presence in the Nordea Group's four domestic markets in the form of a strong and stable retail customer base and the variety of funding programmes. The funding programmes are both short-term (US and European commercial paper programmes and certificates of deposits) and long-term (covered bonds, EMTN and MTN programmes) and cover a range of currencies. As of 31 December 2017, the total volume utilised under short-term programmes was EUR 35.2 billion with an average maturity of 0.2 years and the total volume utilised under the long-term programmes was EUR 152.9 billion with an average maturity of 6.2 years. Special focus is given to the composition of the investor base in terms of geographical range and rating sensitivity.

Trust is fundamental in the funding market, and therefore, the Nordea Group periodically publishes information on the liquidity situation of the Group. Furthermore, the Nordea Group regularly performs stress testing of the liquidity risk position and has put in place business contingency plans for liquidity crisis management. Stress testing is defined as the evaluation of potential effects on a bank's liquidity situation under a set of exceptional but plausible events.

Liquidity Risk Measurement Methods

The Nordea Group holds a liquidity buffer to ensure funding in situations where it is in urgent need of cash and the normal funding sources do not suffice. The liquidity buffer consists of central bank eligible, high credit quality and liquid securities and central bank cash that can be readily sold or used as collateral in funding operations.

Liquidity risk management focuses on both short-term liquidity risk and long-term structural liquidity risk. In order to measure the exposure on both maturity horizons, a number of liquidity risk measures have been developed to cover all material sources of liquidity risk.

Liquidity risk is limited by the board of directors of Nordea by using an internal survival horizon metric that stipulates the liquidity buffer to be sufficient to cover peak cumulative stressed outflows experienced over the first three months of a combined stress event, whereby the Nordea Group is subject to a market-wide stress similar to what many banks experienced between 2007 and 2008, and an idiosyncratic stress corresponding to a three-notch credit rating downgrade. This metric forms the basis for the Nordea Group's liquidity risk appetite, which is reviewed and approved by the board of directors of Nordea at least annually.

Furthermore, short-term funding risk is measured by using the Liquidity Coverage Ratio ("LCR") and a funding gap risk metric. The LCR is a ratio measuring the amount of qualifying highly rated assets (*i.e.*, cash with central banks and highly rated sovereigns known as "high quality liquid assets") available to cover potential cash outflows during the first 30 days of a severe liquidity stress event, as prescribed by local regulations. Under the current rules, the Nordea Group must adhere to a minimum LCR on an all currency basis as well as individually for U.S. dollars and euros. Under the applicable rules, the Nordea Group as well as its bank branches based in the EU must, at a minimum, also comply with the LCR standards prescribed by the CRR and CRD IV. The funding gap risk metric expresses the expected maximum accumulated need for raising liquidity in the course of the next 30 days. Cash flows from both on-balance sheet and off-balance sheet items are included. Funding gap risk is measured and limited for each currency and as a total figure for all currencies combined.

Structural liquidity risk of the Nordea Group is measured by using many metrics of which the Net Stable Funding Ratio ("NSFR") and the internally defined Net Balance of Stable Funding ("NBSF") are very important. Furthermore, the loan to deposit ratio is closely monitored together with the wholesale funding refinancing profile and rating agency metrics.

Additional metrics are in place for monitoring the liquidity and funding profiles at a more detailed level across the Nordea Group.

Liquidity Risk Analysis

The Nordea Group continues to have a strong and prudent liquidity risk profile with a strong funding base. As of 31 December 2017, the total volume utilised under short-term programmes was EUR 35.2 billion with an average maturity of 0.2 years compared to EUR 36.9 billion as of 31 December 2016 with an average maturity of 0.3 years. As of 31 December 2017, the total volume under long-term programmes was EUR 152.9 billion with an average maturity of 6.2 years compared to EUR 154.9 billion as of 31 December 2016 with an average maturity of 6.0 years. The Nordea Group's funding sources are presented in a table below.

The liquidity risk position remained at a low level throughout 2017. The internal survival horizon was 8.2 months as of 31 December 2017 with a yearly average of 9.8 months, the Group limit being three months at minimum.

As of 31 December 2017, the combined LCR according to the Swedish rules for the Nordea Group was 147 per cent with a yearly average of 149 per cent compared to 159 per cent as of 31 December 2016 with a yearly average of 158 per cent. The LCR according to the Swedish rules in euro was 257 per cent as of 31 December 2017 with a yearly average of 244 per cent compared to 334 per cent as of 31 December 2016, and the LCR according to the Swedish rules as of 31 December 2017 in U.S. dollar was 170 per cent with a yearly average of 189 per cent compared to 221 per cent as of 31 December 2016. As of 31 December 2017, LCR according to the EBA Delegated Act was 152 per cent with a yearly average of 168 per cent compared to 165 per cent as of 31 December 2016 with a yearly average of 153 per cent. In 2017, the yearly average of the funding gap risk was EUR 22.5 billion against a limit of negative EUR 15 billion compared to EUR 21.6 billion in 2016.

The Nordea Group's liquidity buffer was in the range of EUR 102.2 billion to EUR 133.7 billion in 2017 compared to EUR 99.4 billion to EUR 126.2 billion during 2016, with an average of EUR 116.4 billion in 2017 compared to an average of EUR 113.3 billion in 2016. The liquidity buffer consists of central bank eligible, high credit quality and liquid securities and central bank cash that can be readily sold or used as collateral in funding operations. Both NSFR and NBSF stayed comfortable above 100 per cent throughout 2017.

Structural Interest Income Risk

SIIR is the amount by which the Nordea Group's accumulated net interest income would change during the next 12 months under a stressed scenario. The Nordea Group's SIIR management is based on a policy, which focuses on optimising financial structure, balanced risk taking and reliable earnings growth, identification of all significant sources of SIIR, measurement under stressful market conditions and adequate public information. Group Treasury & ALM has the responsibility for the operational management of SIIR.

SIIR Measurement Methods

The Nordea Group's SIIR is measured through dynamic simulations by calculating several net interest income scenarios and comparing the difference between these scenarios with the net interest income in the baseline scenario. Several interest rate scenarios are applied but the scenarios that are currently used for limits are an instantaneous parallel increase and decrease of 50 basis points. These scenarios measure the effect on the Nordea Group's net interest income for a 12-month period of a 50 basis points change in all interest rates. The balance sheet is assumed to be constant over time, although main elements of customer behaviour and the Nordea Group's decision-making process are taken into account.

The following table sets forth the re-pricing gap for increasing interest rates as of 31 December 2017:

	As of 31 December 2017								
	Nordea Group balance sheet	Within 3 months	3–6 months	6–12 months	1–2 years (EUR million)	2–5 years	>5 years	Non-repricing	Total
Interest-bearing assets	–	268,721	36,867	22,288	17,120	34,748	22,695	–	402,440
Non-interest bearing assets	–	–	–	–	–	–	–	179,173	179,173
Total assets	581,612	268,721	36,867	22,288	17,120	34,748	22,695	179,173	581,612
Interest-bearing liabilities	–	173,532	35,087	8,240	19,859	54,667	31,373	–	322,758
Non-interest bearing liabilities	–	–	–	–	–	–	–	258,854	258,854
Total liabilities and equity	581,612	173,532	35,087	8,240	19,859	54,667	31,373	258,854	581,612
Off-balance-sheet items, net	–	6,256	(19,412)	(12,731)	2,271	15,748	7,841	–	–
Exposure	–	887.7	(80.8)	3.3	–	–	–	–	–
Cumulative exposure	–	887.7	806.8	810.1	–	–	–	–	–

SIIR Analysis

The 100 basis point SIIR for increasing market rates was EUR 810.1 million as of 31 December 2017 compared to EUR 822 million as of 31 December 2016 and EUR 384 million as of 31 December 2015. The SIIR for decreasing market rates was negative EUR 716.4 million as of 31 December 2017, as compared to negative EUR 762 million as of 31 December 2016 and EUR 13 million as of 31 December 2015.

Capital Management

The Nordea Group strives to attain efficient use of capital through active management of the balance sheet with respect to different asset, liability and risk categories. The goal is to enhance returns to the shareholder while maintaining a prudent capital structure.

Capital Governance

The board of directors of Nordea decides ultimately on the targets for capital ratios, capital policy and the overall framework of capital management in the Nordea Group. The Nordea Group's ability to meet targets and to maintain minimum capital requirements is reviewed regularly within the ALCO and the Risk Committee.

The ALCO, headed by the CFO, is the forum responsible for coordinating capital planning activities within the Nordea Group, including regulatory, internal and available capital. Additionally, the ALCO reviews future capital requirements in the assessment of annual dividends, share repurchases, external and internal debt and capital injection decisions. The ALCO considers information on key regulatory developments, market trends for subordinated debt and reviews the capital situation in the Nordea Group and in key legal entities. The ALCO decides, within the mandate given by the board of directors, on issuance of subordinated debt. Meetings are held, generally, once a month and upon request by the CFO.

The Nordea Group uses a variety of capital measurements and capital ratios to manage its capital. The Nordea Group calculates its regulatory capital requirements under the CRD IV/CRR framework. The Nordea Group is approved by the financial supervisory authorities to use the IRB approach when calculating the capital requirements for the main part of its credit portfolio. The Nordea Group uses the Advanced IRB approach for corporate lending in the Nordic countries and in the International Units. The Retail IRB approach is used for the Nordic retail exposure classes and mortgage companies as well as for the Finnish finance company. The Foundation IRB approach is used in the Nordic countries for institutional and sovereign lending, as well as for all exposures in the other Nordic finance companies and Nordea Bank Russia. Nordea uses the standardised approach to calculate risk exposure amount (REA) for exposures to equities in the banking book. Acquisitions of new portfolios are treated under the standardised approach until they are approved for the IRB approach by the relevant financial supervisory authority. As of 31 December 2017, 86 per cent of the Nordea Group's credit risk exposure amount (REA) was covered by IRB approaches. The Nordea Group is also approved to use its own internal VaR models to calculate capital requirements for the major parts of the market risk in the trading books. For operational risk, the standardised approach is applied. See "*Operational Risk*" above.

Capital Policy and ICAAP

The Nordea Group's capital policy states that the Nordea Group under normal business conditions should have capital ratios for common equity tier 1 (CET1) capital, tier 1 capital and total capital that exceed the capital requirement as set out by the SFSA. The Nordea Group's capital policy is to maintain a management buffer of 50–150 basis points above the regulatory common equity tier 1 (CET1) capital ratio requirement. See also "*Supervision and Regulation—Capital Adequacy, Liquidity and Leverage*". The capital targets reflect the latest communication from the SFSA and there are still uncertainties with respect to ongoing regulatory developments.

The capital policy is related to the ICAAP, which according to the CRD, should, for each bank, review the management, mitigation and measurement of material risks to assess the adequacy of internal capital and determine an internal capital requirement reflecting the risk appetite of the institution.

As of 31 December 2017, the Nordea Group's tier 1 capital and own funds exceeded the regulatory minimum requirements outlined in the CRD. Considering results of capital adequacy stress testing, capital forecasting and growth expectations, the Nordea Group assesses that the buffers held for current regulatory capital purposes are sufficient. See also "*Capitalisation and Indebtedness*".

For further information on recent regulatory changes, see "*Supervision and Regulation—Capital Adequacy, Liquidity and Leverage*".

The following table sets forth information on the Nordea Group's capital adequacy and related ratios as of each date indicated:

	As of 31 December		
	2015	2016	2017
Common equity tier 1 (CET1) capital, net after deduction ⁽¹⁾ , EUR million.....	23,575	24,538	24,515
Common equity tier 1 (CET1) capital ratio, excluding Basel I floor ⁽¹⁾ , per cent	16.5	18.4	19.5
Tier 1 capital, net after deduction ⁽¹⁾ , EUR million.....	26,516	27,555	28,008
Tier 1 capital ratio, excluding Basel I floor ⁽¹⁾ , per cent	18.5	20.7	22.3
Own funds, net after deduction ⁽¹⁾ , EUR million	30,900	32,904	31,747
Total capital ratio, excluding Basel I floor ⁽¹⁾ , per cent.....	21.6	24.7	25.2
Risk exposure amount (REA), excluding Basel I floor ⁽¹⁾ , EUR billion.....	143	133	126
Economic Capital, total operations, EUR billion.....	25.0	26.3	26.7

(1) Including result for the year.

In addition to the Nordea Group's internal capital requirements, ongoing dialogues with third parties affect the Nordea Group's capital requirements, in particular, views of the external rating agencies.

The Nordea Group uses a "pillar 1 plus pillar 2" approach in order to assess the internal capital requirement. This methodology uses the pillar 1 capital requirement for credit risk, credit valuation adjustment risk, market risk and operational risk as outlined in the CRR as the starting point for its risk assessment. For these risks, the risk is measured using only models and processes approved by the financial supervisory authorities for use in the calculation of legal capital requirements. Following this, pillar 2 risks, that is, risks not included in pillar 1, are considered. Pillar 2 risks include interest rate risk in the banking book, risk in the Nordea Group's internal DBP, real estate risk, concentration risk and other pillar 2 requirements. The Nordea Group uses both its own as well as regulatory benchmark capital models to define the capital requirement for each of these risks.

The Nordea Group uses its Economic Capital framework as its primary tool for internal capital allocation considering all risk types. Stress testing is also an important component of assessing capital adequacy and the Nordea Group considers the results of stress tests when determining the Nordea Group's internal capital requirements.

Pillar 1 Capital Requirements

The following table sets forth an overview of the pillar 1 capital requirements as of each date indicated, broken down by type of risk:

	As of 31 December					
	2015		2016		2017	
	Minimum capital requirement	REA	Minimum capital requirement	REA	Minimum capital requirement	REA
	(EUR million)					
Capital requirements and REA						
Credit risk	9,358	116,978	8,601	107,512	8,219	102,743
IRB.....	8,297	103,717	7,517	93,958	7,104	88,808
of which sovereign	—	—	—	—	149	1,869
of which corporate.....	5,630	70,371	4,977	62,212	4,560	57,004
of which institutions.....	682	8,526	572	7,144	493	6,163
of which retail.....	1,802	22,520	1,755	21,933	1,671	20,888
of which retail SME.....	94	1,174	94	1,177	—	—
of which secured by immovable property.....	994	12,421	978	12,229	934	11,678
of which retail other.....	714	8,925	682	8,527	737	9,210
of which items representing securitisation position.....	—	—	66	828	68	850
of which other.....	183	2,300	147	1,841	163	2,034
Standardised.....	1,061	13,261	1,084	13,554	1,115	13,935
of which sovereign	62	773	52	657	23	291
of which institution.....	23	282	40	498	14	171
of which corporate.....	169	2,109	173	2,159	261	3,264
of which retail.....	251	3,137	258	3,223	258	3,225
of which other.....	556	6,960	561	7,017	559	6,984
Credit value adjustment risk	140	1,751	144	1,798	96	1,207
Market risk	522	6,534	358	4,474	282	3,520
of which trading book, internal approach.....	239	2,990	236	2,942	196	2,444
of which trading book, standardised approach.....	96	1,209	74	928	86	1,076
of which banking book, standardised approach.....	187	2,335	48	604	—	—
Operational risk (standardised approach)	1,363	17,031	1,350	16,873	1,345	16,809
Additional risk exposure amount, Article 3 CRR	80	1,000	200	2,500	120	1,500
Sub-total	11,463	143,294	10,653	133,157	10,062	125,779
Adjustment for Basel I floor						
Additional capital requirement according to Basel I floor.....	6,283	78,533	6,612	82,655	6,132	76,645
Total	17,746	221,827	17,265	215,812	16,194	202,424

For additional information on capital requirements and the calculation of risk exposure amount (REA), see "—Pillar 3 Disclosure, Capital Adequacy and Risk Management" below.

Economic Capital Framework

The Nordea Group bases the internal capital requirements under the ICAAP on the Nordea Group's Economic Capital framework. This means that the pillar 1 risk measurement methods are used in the Economic Capital framework for credit, market and operational risk. However, both pillar 1 and pillar 2 risks are included in the Economic Capital framework.

The Economic Capital framework is subject to annual revisions. The total Economic Capital of the Nordea Group includes Nordea Life & Pensions. Total Economic Capital amounted to EUR 26.7 billion as of 31 December 2017, compared to EUR 26.3 billion as of 31 December 2016. The increase mainly relates to changes in capital considerations.

The allocation of costs within the Economic Capital model is based on the same risk components as the ICAAP but also includes risks in the insurance businesses. Economic Capital has been aligned to common equity tier 1 (CET1) capitalisation requirements according to CRR.

As a part of the ICAAP and the capital planning process, firm wide stress tests are used as an important risk management tool to determine how severe unexpected changes in the business and macro environment will affect the capital need. The stress test reveals how the capital need varies during a stress scenario, where financial statements, regulatory capital requirements and capital ratios are impacted.

Own Funds

Own funds (referred to as "capital base" before the CRD) is the sum of tier 1 capital and tier 2 capital after deductions.

Tier 1 capital consists of both common equity tier 1 (CET1) and additional tier 1 capital. Common equity tier 1 (CET1) capital is considered to be the capital with highest quality with ultimate loss-absorbance characteristics and consists predominantly of paid capital and retained earnings. Profit may only be included after permission from the relevant financial supervisory authority and after deduction of proposed dividends.

Additional tier 1 capital and additional tier 2 capital consist mainly of undated and dated subordinated loans, respectively. Holdings of the subordinated loans of other entities in the financial sector are deducted from the corresponding tier.

The following table sets forth a summary of items included in the Nordea Group's own funds (including result for the year) as of each date indicated:

	As of 31 December		
	2015	2016 ⁽¹⁾	2017 ⁽¹⁾
	(EUR million)		
Summary of items included in own funds			
Equity.....	29,959	31,533	31,799
Proposed/actual dividend	(2,584)	(2,625)	(2,747)
Deferred tax assets.....	–	–	–
Intangible assets	(2,866)	(3,435)	(3,835)
IRB provisions excess (+)/shortfall (–).....	(296)	(212)	(291)
Deduction for investments in credit institutions (50 per cent)	–	–	–
Pension assets in excess of related liabilities ⁽²⁾	(296)	(240)	(152)
Other items, net	(342)	(483)	(259)
Common equity tier 1 (CET1) capital (net after deduction)	23,575	24,538	24,515
Additional tier 1 (AT1) capital before regulatory adjustments	2,968	3,042	3,514
Regulatory adjustments to additional tier 1 (AT1) capital	(27)	(25)	(21)
Tier 1 capital (net after deduction).....	26,516	27,555	28,008
Tier 2 capital before regulatory adjustments	5,940	6,541	4,903
IRB provisions excess (+)/shortfall (–).....	–	78	95
Deduction for investments in credit institutions (50 per cent)	–	–	–
Deductions for investments in insurance companies	(1,501)	(1,205)	(1,205)
Pension assets in excess of related liabilities	–	–	–
Other items, net	(55)	(65)	(54)
Total regulatory adjustments to tier 2 capital.....	(1,556)	(1,192)	(1,164)
Tier 2 capital	4,384	5,349	3,739
Total own funds (net after deduction)⁽³⁾.....	30,900	32,904	31,747

(1) Including profit for the period.

(2) Based on conditional SFSA approval.

(3) Own funds adjusted for IRB provision.

Financial Conglomerate

The capital requirements valid for financial conglomerates are stated in Swedish Act on Special Supervision of Financial Conglomerates (Sw: *lag (2006:531) om särskild tillsyn över finansiella konglomerat*). The SFSA defined Nordea as a financial conglomerate until the end of 2009. In 2011, Sampo plc's share in Nordea exceeded 20 per cent, meaning that the Nordea Group has since been included in the Sampo financial conglomerate in accordance with the Finnish Act on

the Supervision of Financial and Insurance Conglomerates (Fi: *laki rahoitus- ja vakuutusryhmittymien valvonnasta (2004/699)*).

Pillar 3 Disclosure, Capital Adequacy and Risk Management

The CRD also stipulates how and when institutions should disclose their capital and risk management. The disclosure should follow the requirements in accordance with pillar 3. The main requirements comprise the following:

- description of the group structure and overall risk and capital management;
- regulatory capital requirements and the own funds;
- credit risk, including risk exposure amount (REA) calculations and loan losses;
- market risk;
- operational risk;
- liquidity risk; and
- remuneration policy.

BOARD OF DIRECTORS, MANAGEMENT AND AUDITORS

Board of Directors

According to the articles of association, the board of directors of Nordea Sweden and Nordea Finland are to consist of at least three in respect of Nordea Finland, and six in respect of Nordea Sweden, and no more than 15 members elected by the shareholders at the general meeting. Following the completion of the Merger, the board of directors of Nordea Finland is to consist of at least six and no more than 15 members elected by the general meeting.

This section contains a description of the board members of Nordea Sweden as of the date of this Prospectus. For further information on the rules applicable to the composition of the board of directors of Nordea Finland after the completion of the Merger as well as certain differences compared to Swedish law, see “*Summary of Finnish Company Law and Corporate Governance—Board of Directors*”. The boards of directors of Nordea Finland and Nordea Sweden (excluding employee representatives) are, as of the date of this Prospectus, comprised of the same members. The AGM of Nordea Sweden’s shareholders scheduled to be held on 15 March 2018 will elect the members to Nordea Sweden’s board of directors for the period until and including the AGM in 2019. The composition of the board of directors of Nordea Finland following the Completion Date is expected to be the same as the composition of the board of directors of Nordea Sweden immediately before the Completion Date.

As of the date of this Prospectus, the board of directors of Nordea Sweden consists of 10 members elected by the general meeting for the period until and including the AGM in 2018. In addition, three members and one deputy member are appointed by the employees. Employees have a right, according to Swedish legislation, to be represented on the board of directors. The CEO of Nordea Sweden is not a member of the board of directors. See also “—*Nomination Process*” below for a discussion of the proposals of the Nomination Committee to Nordea Sweden’s AGM in 2018, including the proposed appointment of two new members to the board of directors.

The following table sets forth, for each member of the board of directors of Nordea Sweden, his or her year of birth and the year of his or her initial appointment to the board of directors:

	Year of birth	Board member since	Position
Björn Wahlroos	1952	2008	Chairman
Lars G Nordström	1943	2003	Vice Chairman
Pernille Erenbjerg	1967	2017	Member
Robin Lawther	1961	2014	Member
Sarah Russell	1962	2010	Member
Silvija Seres	1970	2015	Member
Kari Stadigh ⁽¹⁾	1955	2010	Member
Birger Steen	1966	2015	Member
Maria Varsellona	1970	2017	Member
Lars Wollung ⁽²⁾	1961	2017	Member

(1) Kari Stadigh has declined re-election at the AGM of Nordea Sweden in 2018.

(2) Lars Wollung has declined re-election at the AGM of Nordea Sweden in 2018.

In addition, the board of directors includes the following employee representatives (one of whom at any time is a deputy member) appointed by the trade unions:

	Year of birth	Board member since	Position
Kari Ahola	1960	2006	Employee Representative
Toni H. Madsen	1959	2013	Employee Representative
Hans Christian Riise	1961	2013	Employee Representative
Gerhard Olsson	1978	2016	Deputy Employee Representative

The members of the board of directors of Nordea Sweden and Group Executive Management have the following office address: c/o Nordea Bank AB (publ), Smålandsgatan 17, SE-105 71 Stockholm, Sweden.

With the exception of the employee representatives, no members of the board of directors of Nordea Sweden are employed by the Nordea Group.

Björn Wahlroos has been a member of the board of directors since 2008 and has served as its Chairman since 2011. As of the date of this Prospectus, Mr Wahlroos also serves as the Chairman of the board of directors of Sampo plc and UPM-Kymmene Corporation. In addition, Mr Wahlroos is Board Chairman of Hanken School of Economics and a member of the board of directors of several charities, including the Finnish Business and Policy Forum EVA/ETLA and the Mannerheim Foundation.

Lars G Nordström has been a member of the board of directors since 2003 and has served as its Vice Chairman since 2017. As of the date of this Prospectus, Mr Nordström is the Chairman of the board of directors of Vattenfall AB and a member of the board of directors of Viking Line Abp. Mr Nordström is the Board Chairman of the Finnish-Swedish Chamber of Commerce. Mr Nordström is also a member of the board of directors of the Swedish-American Chamber of Commerce and the Centre for Business and Policy Studies (SNS). Mr Nordström is also a member of the Royal Swedish Academy of Engineering Sciences (IVA) and an Honorary Consul of Finland in Sweden.

Pernille Erenbjerg has been a member of the board of directors since 2017. As of the date of this Prospectus, Ms Erenbjerg is Group CEO and President of TDC A/S and a member of the board of directors of Genmab A/S and DFDS A/S.

Robin Lawther has been a member of the board of directors since 2014. As of the date of this Prospectus, Ms Lawther is a member of the board of directors of Oras Invest Ltd and UK Government Investments Limited.

Sarah Russell has been a member of the board of directors since 2010. As of the date of this Prospectus, Ms Russell is the CEO of AEGON Asset Management and a member of the board of directors of several group companies, including chairman of the board of Aegon Asset Management Holdings BV and member of the Management Board of Aegon NV. Ms Russell is also Vice Chairman of the supervisory board of La Banque Postale Asset Management SA and a member of the supervisory board of Nederlands Investeringsinstelling NV. Ms Russell is also a member of the board of directors of the American Chamber of Commerce in the Netherlands.

Silvija Seres has been a member of the board of directors since 2015. As of the date of this Prospectus, Ms Seres is a member of the board of directors of Academedia AB, DNV GL Group AS, Oslo Børs VPS Holding ASA, Oslo Børs ASA and Synchron International AB. Ms Seres is also Board Chairman of Polyteknisk Forening, a member of the board of directors of Norsk Rikskringkasting AS (NRK), Stiftelsen Det Norske Veritas, Oslo Business Region AS, Simula Research Laboratory AS, Transparency International Norge and Kavli Trust and a member of the Corporate Assembly and the Nomination Committee of Telenor ASA.

Kari Stadigh has been a member of the board of directors since 2010. As of the date of this Prospectus, Mr Stadigh is the Group CEO and President of Sampo plc. Mr Stadigh also serves as the Chairman of the board of directors of If P&C Insurance Holding Ltd and Mandatum Life Insurance Company Limited and is a member of the board of directors of Nokia Corporation and Waypoint Group Holding Ltd. Mr Stadigh is also Vice Chairman of the board of directors of Finance Finland and a member of the board of directors of the Niilo Helander Foundation.

Birger Steen has been a member of the board of directors since 2015. As of the date of this Prospectus, Mr Steen is a member of the board of directors of Schibsted ASA, Skooler AS and Nordic Semiconductor ASA. Mr Steen is also a member of the board of trustees of the Nordic Heritage Museum in Seattle, United States.

Maria Varsellona has been a member of the board of directors since 2017. As of the date of this Prospectus, Ms Varsellona is the Chief Legal Officer of Nokia Corporation and a member of the board of directors of Alcatel-Lucent Shanghai Bell.

Lars Wollung has been a member of the board of directors since 2017. As of the date of this Prospectus, Mr Wollung is the Chairman of the board of directors of IFS AB (publ), The North Alliance Group AS and mySafety Group AB.

Kari Ahola has been a member of the board of directors since 2006. As of the date of this Prospectus, Mr Ahola is the Chairman of Ammattiliitto Nousu ry, a member of the board of directors of Finnish Confederation of Professionals (STTK) and a member of Nordea Union Board.

Toni H. Madsen has been a member of the board of directors since 2013. As of the date of this Prospectus, Ms Madsen is Vice Chairman of the board of directors of Nordea Union Board and Chairman of Kreds Union in Denmark.

Hans Christian Riise has been a member of the board of directors since 2013. As of the date of this Prospectus, Mr Riise is Chairman of Nordea Union Board and Finansforbundet i Nordea.

Gerhard Olsson has been a member of the board of directors since 2016. As of the date of this Prospectus, Mr Olsson is a member of Nordea Union Board and Vice Chairman in Koncernklubben.

Group Executive Management

This section contains a description of the members of Group Executive Management of the Nordea Group as of the date of this Prospectus. For further information on the rules applicable to Group Executive Management after the completion of the Merger as well as certain differences compared to Swedish law, see “*Summary of Finnish Company Law and Corporate Governance*”. The composition of Group Executive Management following the completion of the Merger is expected to be the same as the composition of Group Executive Management immediately before the completion of the Merger.

Group Executive Management of the Nordea Group currently consists of 10 members, including the CEO. The President and CEO is appointed by the board of directors and is charged with the day-to-day management of the Nordea Group and the Nordea Group's Group-wide affairs in accordance with applicable laws and regulations, including the Swedish Corporate Governance Code, as well as the instructions provided by the board of directors. The instructions regulate the division of responsibilities and the interaction between the CEO and the board of directors. The CEO works closely with the Chairman of the board of directors, for example, in planning the meetings of the board of directors.

The following table sets forth each member of Group Executive Management, his or her year of birth, the year of his or her initial employment as a member of Group Executive Management and his or her current position:

	Year of birth	Group Executive Management member since	Position
Casper von Koskull	1960	2010	President and Group Chief Executive Officer (CEO)
Torsten Hagen Jørgensen	1965	2011	Deputy Group Chief Executive Officer and Group Chief Operating Officer (COO), Executive Vice President and Head of Group Corporate Centre
Erik Ekman	1969	2015	Executive Vice President, Head of Commercial & Business Banking
Matthew Elderfield.....	1966	2016	Group Compliance Officer, Head of Group Compliance
Julie Galbo	1971	2017	Group Chief Risk Officer (CRO) and Head of Group Risk Management and Control
Heikki Ilkka	1970	2016	Executive Vice President, Group Chief Financial Officer and Head of Group Finance & Treasury
Topi Manner	1974	2016	Executive Vice President, Head of Personal Banking
Martin A Persson.....	1975	2016	Executive Vice President, Head of Wholesale Banking
Snorre Storset	1972	2015	Executive Vice President, Head of Wealth Management
Karen Tobiasen.....	1965	2016	Chief People Officer, Head of Group People

Casper von Koskull has been the President and Group CEO of Nordea Sweden since 2015 and a member of Group Executive Management since 2010. Mr von Koskull has held several executive positions since he joined the Nordea Group in 2010, most recently as Head of Wholesale Banking from 2011 to 2015. As of the date of this Prospectus, Mr von Koskull is a board member of the Swedish Bankers' Association and the European Business Leaders' Convention, a representative in The Institute of International Finance and a member of the board of trustees of SNS (Centre for Business and Policy Studies).

Torsten Hagen Jørgensen has been the Deputy Group CEO and Group COO of Nordea Sweden since 2015, Head of Group Corporate Centre since 2013 and Executive Vice President and a member of Group Executive Management since 2011. Mr Jørgensen has held several executive positions since he joined the Nordea Group in 2005, most recently as Group CFO and Head of Group Corporate Centre from 2013 to 2015.

Erik Ekman has been Executive Vice President and a member of Group Executive Management since 2015 and Head of Commercial & Business Banking since 2016. Mr Ekman has held several executive positions since he joined the Nordea Group in 2008, most recently as Head of Wholesale Banking from 2015 to 2016.

Matthew Elderfield has been Group Compliance Officer, Head of Group Compliance and a member of Group Executive Management since 2016. Prior to joining the Nordea Group in 2016, Mr Elderfield served as Global Head of Compliance at Lloyds Banking Group. Before Lloyds Banking Group, Mr Elderfield held a number of senior international regulatory roles, most recently as Deputy Governor of the Central Bank of Ireland.

Julie Galbo has been Group CRO and Head of Group Risk Management and Control and a member of Group Executive Management since 2017. Ms Galbo has held various executive positions at the Nordea Group, most recently as Head of Regulatory Change Management from 2015 to 2016. Ms Galbo served as Head of Division, State Capital Injections at the Danish Ministry of Economics and Business Affairs in 2010 and as Deputy Director General of the DFSA from 2010 to 2014.

Heikki Ilkka has been Executive Vice President, Group CFO and Head of Group Finance & Treasury and a member of Group Executive Management since 2016. Mr Ilkka joined the Nordea Group in 2015 as Head of Group Finance following a long career with Ernst & Young in Finland, most recently as senior partner. On 15 November 2017, Nordea announced that Mr Ilkka had decided to leave Nordea to return to auditing. Mr Ilkka will end his employment with Nordea by the end of February 2018 and will remain a member of Group Executive Management until that time.

Topi Manner has been Executive Vice President, Head of Personal Banking and a member of Group Executive Management since 2016. Mr Manner has held several executive positions since he joined the Nordea Group in 1998, most recently as Head of Banking Finland & Baltics from 2012 to 2016. As of the date of this Prospectus, Mr Manner is a member of the board of directors of the Finnish Chamber of Commerce and the International Chamber of Commerce in Finland and a member of the governing council of the Inter-Alpha Group of Banks.

Martin A Persson has been Executive Vice President, Head of Wholesale Banking and a member of Group Executive Management since 2016. Mr Persson joined the Nordea Group in 2012 and served as the Co-Head of Markets Equities, Nordea Markets from 2012 to 2016.

Snorre Storset has been Executive Vice President, Head of Wealth Management since 2016 and a member of Group Executive Management since 2015. Ms Storset has held several executive positions since he joined the Nordea Group in 2011, most recently as Deputy Head of Wealth Management and Head of Private Banking from 2015 to 2016.

Karen Tobiasen has been Chief People Officer, Head of Group People and a member of Group Executive Management since 2016. Prior to joining the Nordea Group in 2016, Ms Tobiasen held several senior positions with the Royal Philips Group, most recently as Chief Human Resources Officer at Philips Lighting. As of the date of this Prospectus, Ms Tobiasen is a member of the board of directors of Oriflame Holding AG.

On 6 February 2018, Nordea announced that Christopher Rees, currently Deputy Head of Wholesale Banking and Head of Nordea Markets, has been appointed the new Group CFO, Head of Group Finance & Treasury and member of Group Executive Management from 1 March 2018.

Christopher Rees (b. 1972) joined Nordea in 2015 as COO for Wholesale Banking and most recently held the roles of Deputy Head of Wholesale Banking and Head of Nordea Markets. Before joining Nordea, Mr Rees held senior positions in investment banking, capital markets and risk at Barclays, Morgan Stanley and Merrill Lynch. Mr Rees has worked in the financial services sector since 1996. As of the date of this Prospectus, Mr Rees is a board member of the Global Finance Markets Association (GFMA).

Directorships and Partnerships

The members of Nordea Sweden's board of directors and Group Executive Management currently hold or have held the following directorships (excluding directorships in Nordea Group companies) and/or have been a partner in the following partnerships in the five years prior to the date of this Prospectus:

	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
Members of the board of directors		
Björn Wahlroos.....	Sampo plc UPM-Kymmene Corporation	–
Lars G Nordström.....	Vattenfall AB Viking Line Abp	–
Pernille Erenbjerg.....	DFDS A/S Genmab A/S TDC A/S	–
Robin Lawther.....	Oras Invest Ltd UK Government Investments Limited	–
Sarah Russell.....	Aegon Asset Management Aegon Asset Management Holdings BV AEGON NV Kames Capital Holdings Limited Kames Capital Management Limited Kames Capital plc La Banque Postale Asset Management SA Nederlands Investeringsinstelling NV	Aegon Investment Management BV Aegon USA Asset Management Holding, LLC Transamerica Corporation Transamerica Investment Management LLC

	<u>Current directorships/partnerships</u>	<u>Former directorships/partnerships</u>
Silvija Seres	Academedi AB DNV GL Group AS Kavli Trust Norsk Rikskringkasting AS (NRK) Oslo Business Region AS Oslo Børs ASA Oslo Børs VPS Holding ASA Simula Research Laboratory AS Syncron International AB Telenor ASA	Aschehoug AS Bypass AS Camo AS ECC AS Eidsiva Energi AS Eidsiva Vekst AS Enoro Holding AS FasterImaging AS Kezzler AS MakingWaves AS Norman ASA Norsk Tipping AS Seema AS Sonitor AS Statkraft AS TechnoRocks AS The North Alliance AS The Performance Group AS
Kari Stadigh.....	If P&C Insurance Holding Ltd Mandatum Life Insurance Company Limited Nokia Corporation Sampo plc Waypoint Group Holding Ltd	Kaleva Mutual Insurance Company Oy Forcit Ab Pavor Oy Ltd Varma Mutual Pension Insurance Company
Birger Steen	Nordic Semiconductor ASA Schibsted ASA Skooler AS	Parallels, Inc.
Maria Varsellona	Alcatel-Lucent Shanghai Bell	Alcatel-Lucent S.A.
Lars Wollung	IFS AB (publ) mySafety Group AB The North Alliance Group AS TPS Investment AB	Bambora Top Holding AB Connecta AB dLaboratory Sweden AB Intrum Justitia AB Sigma AB (publ) TF Bank AB Tieto Abp
Kari Ahola	–	–
Toni H. Madsen	–	–
Hans Christian Riise	–	–
Gerhard Olsson	–	–
Members of Group		
Executive Management		
Casper von Koskull.....	–	–
Torsten Hagen Jørgensen.....	–	–
Erik Ekman	–	–
Matthew Elderfield.....	–	–
Julie Galbo.....	–	Copenhagen Law P/S
Heikki Ilkka	Laveki Oy Gimmeshelter Oy	Ernst & Young Europe LLP
Topi Manner	Luminor Group AB	AST Company Ltd
Martin A Persson	–	Keel Capital AB
Snorre Storset	–	–
Karen Tobiasen.....	Oriflame Holding AG	–
Christopher Rees ⁽¹⁾	Global Finance Markets Association (GFMA)	Greenery International Ltd

(1) Nordea has announced that Christopher Rees has been appointed the new Group CFO, Head of Group Finance & Treasury and member of Group Executive Management from 1 March 2018.

Remuneration of the Board of Directors and Group Executive Management

In 2017, the total compensation earned (excluding pension expenses) by the members of Nordea Sweden's board of directors and Group Executive Management was EUR 14,660,944, as compared to EUR 13,457,288 in 2016 and

EUR 12,830,454 in 2015. For additional information on compensation, severance payments, benefits and pension commitments for the members of the board of directors and Group Executive Management, see “*Note G7*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

The Chairman and the members of the board of directors receive fees as determined by a resolution of the general meeting. The 2017 AGM of Nordea Sweden decided that the remuneration to the members of the board of directors in 2017 shall amount to EUR 294,600 for the Chairman of the board of directors (EUR 287,400 in 2016), EUR 141,300 for the Vice Chairman (EUR 136,500 in 2016) and EUR 91,950 for each of the other directors (EUR 88,850 in 2016). With respect to committee work on the Board Audit Committee, Board Operations and Compliance Committee and Board Risk Committee, the 2017 AGM of Nordea Sweden decided that each committee Chairman shall receive EUR 48,650 (EUR 36,050 in 2016) and other members of these committees shall receive EUR 29,600 (EUR 25,750 in 2016). The 2017 AGM of Nordea Sweden decided that the Chairman of the Remuneration Committee shall receive EUR 36,050 (EUR 36,050 in 2016) and members of the Remuneration Committee shall receive EUR 25,750 (EUR 25,750 in 2016) for committee work. No remuneration is paid to members who are employed by the Nordea Group.

Nordea Sweden’s Nomination Committee has proposed that the AGM of Nordea Sweden in 2018 decide that the fees to the members of the board of directors of Nordea Sweden in 2018 will remain unchanged from 2017 and amount to EUR 294,600 for the Chairman of the board of directors, EUR 141,300 for the Vice Chairman and EUR 91,950 for each of the other directors. With respect to committee meetings, the Nomination Committee has proposed that the AGM of Nordea Sweden in 2018 decide that fees are paid for committee work on the Board Operations and Compliance Committee, the Board Audit Committee and the Board Risk Committee amounting to EUR 48,650 for each committee Chairman and EUR 29,600 for the other committee members, and for committee work on the Board Remuneration Committee amounting to EUR 36,050 for the committee Chairman and EUR 25,750 for the other committee members. No remuneration is paid to members who are employed by the Nordea Group.

The following table sets forth the remuneration paid to the members of Nordea Sweden’s board of directors for the years indicated:

	For the year ended 31 December		
	2015	2016	2017
		(EUR)	
Björn Wahlroos	296,377	311,056	320,009
Lars G Nordström ⁽¹⁾	107,183	113,837	157,742
Pernille Erenbjerg ⁽²⁾	–	–	93,965
Robin Lawther.....	107,183	113,837	125,264
Sarah Russell.....	107,183	113,837	134,804
Silvija Seres ⁽³⁾	83,374	113,837	120,379
Kari Stadigh.....	116,224	124,068	137,351
Birger Steen ⁽³⁾	64,639	107,689	134,804
Maria Varsellona ⁽²⁾	–	–	93,965
Lars Wollung ⁽²⁾	–	–	92,031

Note: The remuneration of the members of Nordea Sweden’s board of directors is approved in euros and paid out in Swedish krona quarterly in four equal instalments. For accounting purposes, it is converted back into euros, using the average exchange rate each year. In the accounting, the exchange rate effects have had a decreasing impact on the remuneration paid to the members of Nordea Sweden’s board of directors.

- (1) Vice Chairman as from the 2017 AGM of Nordea Sweden.
- (2) New member of Nordea Sweden’s board of directors as from the 2017 AGM of Nordea Sweden.
- (3) New member of Nordea Sweden’s board of directors as from the 2015 AGM of Nordea Sweden.

Nordea Sweden’s board of directors prepares the proposal for guidelines for remuneration for executive officers to be approved by the AGM annually. Up to 2012, part of the remuneration of the executive officers of Nordea Sweden was offered as short-term variable salary, in addition to which executive officers were covered by the Nordea Group’s long-term incentive programmes. In order to reduce the complexity of this remuneration structure, the 2013 AGM of Nordea Sweden decided that the executive officers, who include the Group CEO and members of Group Executive Management, will be offered an Executive Incentive Programme 2013 (“**GEM EIP 2013**”) to reward performance meeting predetermined targets on a Group, business unit and individual level. The effect on the long-term result is to be considered when determining the targets. The payout from GEM EIP 2013 is paid over a five-year period in cash and is subject to forfeiture clauses, total shareholder return (“**TSR**”) indexation and retention based on the SFSA’s regulations on remuneration systems, taking account domestic rules and practices, where relevant. GEM EIP 2013 had a one-year performance period and the payout was not to exceed the executive officer’s fixed salary. The 2014, 2015, 2016 and 2017 AGMs of Nordea Sweden decided on a corresponding EIP to be implemented in 2014, in 2015, in 2016 and in 2017, respectively, to reward performance meeting predetermined targets on a Group, business unit and individual levels.

The board of directors of Nordea Sweden has proposed that the AGM scheduled to be held on 15 March 2018 resolves that variable salary to the executive officers of Nordea be offered as an executive incentive programme 2018 (the “**GEM EIP 2018**”) with predetermined targets at Group, business area/group function and individual level. The effect on

the long-term result is to be considered when determining the targets. The outcome from the GEM EIP 2018 will be based on the board of directors' assessment of performance of the predetermined targets. The outcome from the GEM EIP 2018 will be paid over a five-year period in cash and be subject to forfeiture clauses, TSR indexation (dividend factor to be excluded during the deferral period) and retention based on the SFSA's regulations on remuneration systems, taking account of domestic rules and practices where relevant. The GEM EIP 2018 has a one year performance period and the outcome may not exceed the fixed salary.

The following table sets forth the remuneration, excluding the LTIPs 2010–2012, paid to the members of Group Executive Management for the years indicated:

	Fixed salary ⁽¹⁾	Group Executive Management Incentive Programme ⁽²⁾	Benefits ⁽¹⁾	Total
	(EUR)			
2015				
Casper von Koskull (CEO) ⁽³⁾	217,383	179,123	8,164	404,670
Torsten Hagen Jørgensen (Group COO and Deputy CEO) ⁽⁴⁾	178,761	165,175	2,015	345,951
Group Executive Management (seven individuals excluding the CEO and the Group COO and Deputy CEO) ⁽⁵⁾	4,800,274	3,657,267	108,072	8,565,613
2016				
Casper von Koskull (CEO) ⁽³⁾	1,292,312	749,204	29,499	2,071,051
Torsten Hagen Jørgensen (Group COO and Deputy CEO) ⁽⁴⁾	1,158,389	624,715	13,264	1,796,368
Group Executive Management (eight individuals excluding the CEO and the Group COO and Deputy CEO) ⁽⁵⁾	4,554,196	2,443,852	60,690	7,058,738
2017				
Casper von Koskull (CEO) ⁽³⁾	1,354,462	735,925	24,744	2,115,131
Torsten Hagen Jørgensen (Group COO and Deputy CEO) ⁽⁴⁾	1,228,571	818,181	16,387	2,063,139
Group Executive Management (eight individuals excluding the CEO and the Group COO and Deputy CEO) ⁽⁵⁾	5,273,893	3,625,087	99,802	8,998,782

- (1) The fixed salary is paid in local currencies and converted to euros based on the average exchange rate each year. The fixed salary includes also holiday pay and car allowance where applicable. Benefits are included at taxable values after salary deductions (if any).
- (2) The CEO and members of Group Executive Management were until 2012 offered a Variable Salary Part (VSP) and a share based LTIP. Instead of these two programmes, Nordea Sweden's board of directors in 2013 decided, in order to reduce complexity, to offer an Executive Incentive Programme (an "EIP") to Group Executive Management (the "GEM EIP"). The outcomes from the GEM EIP 2016 and 2017 have been expensed in full in 2016 and 2017, respectively, but will be paid out over a five-year deferral period with forfeiture clauses in order to comply with the remuneration regulations from the SFSA. The GEM EIP 2016 includes also a sign-on bonus for one new Group Executive Management member. The EIPs of the Nordea Group are indexed with Nordea Sweden's TSR excluding dividends during the deferral period. Following the Merger, the EIPs of the Nordea Group will be indexed with Nordea Finland's TSR.
- (3) The annual fixed base salary as CEO in 2017 is SEK 13,054,000 (EUR 1,354,462), in 2016 SEK 12,200,000 (EUR 1,288,620) and in 2015 SEK 12,200,000 (EUR 1,304,295). Remuneration as CEO in 2015 is included for the period of appointment as CEO, for the period 1 November to 31 December 2015. The remuneration as member of Group Executive Management is included together with other members of Group Executive Management for the period 1 January to 31 October 2015.
- (4) The fixed annual salary as Group COO and Deputy CEO in 2017 is DKK 8,560,000 (EUR 1,150,746), excluding car and holiday allowance amounting to EUR 77,825; in 2016 DKK 8,000,000 (EUR 1,074,502); and in 2015 DKK 8,000,000 (EUR 1,072,567). Remuneration for the Group COO and Deputy CEO is included for the period of appointment as Group COO and Deputy CEO, for the period 1 November to 31 December 2015. The remuneration as member of Group Executive Management is included together with other members of Group Executive Management for the period 1 January to 31 October 2015.
- (5) Remuneration to GEM members is included for the period they have been appointed.

The following table sets forth the remuneration paid to the CEO and Group Executive Management under the LTIPs for the years indicated:

	Expense ⁽¹⁾ for the year ended 31 December			Number of outstanding shares as of 31 December 2017 ⁽²⁾			
	2015	2016	2017	LTIP 2012	LTIP 2011	LTIP 2010	Total
	(EUR)						
Casper von Koskull (CEO)	6,550	–	–	26,853	13,908	2,699	43,460
Torsten Hagen Jørgensen (Group COO and Deputy CEO)	6,076	–	–	24,912	12,446	2,121	39,479
Group Executive Management (2015: seven, 2016: eight and 2017: eight individuals, excluding the CEO and the Group COO and Deputy CEO)	145,327	–	–	4,089	–	–	4,089

- (1) The expense from the LTIPs is recognised as the vesting requirements are fulfilled over the three years vesting period starting the year of issuance. The expense in 2015 includes expense from LTIP 2012 and LTIP 2012 was fully expensed in May 2015. The expense is calculated in accordance with "IFRS 2 – Share-based Payment" and presented for the period appointed as CEO, Group COO and Deputy CEO and member of Group Executive Management.
- (2) All shares in LTIPs are fully vested and consequently not conditional. 60 per cent are deferred with forfeiture clauses due to remuneration regulations from the SFSA and allotted over a five-year period for LTIP 2010 starting May 2013, for LTIP 2011 starting May 2014 and for LTIP 2012 starting May 2015. The numbers of outstanding shares are presented as of 31 December 2017.

For information on the Nordea Group's long-term incentive programmes, see "Note G7" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Nordea Sweden has undertaken to be responsible for potential payment liability against certain individuals, and on certain conditions, in their capacity as managing directors or members of the boards of directors of subsidiaries of Nordea Sweden. See “*Note G36*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

For information on the rules applicable to the remuneration of the members of the board of directors and Group Executive Management following the completion of the Merger, see “*Summary of Finnish Company Law and Corporate Governance—Director and Executive Remuneration*”.

Termination Benefits

Pursuant to his employment contract, the CEO has a notice period of 12 months and a severance pay equal to 12 months’ salary to be reduced by the salary he receives as a result of any other employment during these 12 months.

Pensions

Chief Executive Officer (CEO)

The CEO has a defined contribution plan in accordance with the Swedish collective agreement BTP1, with a complementing defined contribution plan on top of the collective agreement. The pension contribution in total is 30 per cent of the fixed salary.

Group Chief Operating Officer and Deputy Chief Executive Officer (Group COO and Deputy CEO)

The Group COO and Deputy CEO has a defined contribution plan. The pension contribution is 30 per cent of the fixed salary.

Group Executive Management

The pension agreements vary due to local country practices. Pension agreements are DBPs, DCPs or a combination of such plans. One member of Group Executive Management has a DBP not based on a collective agreement. The defined benefit plan provides a retirement pension amounting to 50 per cent of pensionable income for life from age 62, including statutory pension benefits. Three members have pensions in accordance with the Swedish collective agreement, one in BTP1 (defined contribution plan) and two in BTP2 (DBP), with complementing DCPs on top of the collective agreement. Three members have pensions in accordance with the local country statutory pension system. In addition, one member has a defined contribution plan not based on a collective agreement. Fixed salary is pensionable income for all members of Group Executive Management. Part of the GEM EIP is included in the pensionable income for three members according to statutory pension rules and one individual agreement.

The following table sets forth the pension expenses and the pension obligations of the CEO and Group Executive Management for the years indicated:

	For the year ended 31 December					
	2015		2016		2017	
	Pension expense ⁽¹⁾	Pension obligation ⁽²⁾	Pension expense ⁽¹⁾	Pension obligation ⁽²⁾	Pension expense ⁽¹⁾	Pension obligation ⁽²⁾
	(EUR)					
Lars G Nordström (member of the board of directors) ⁽³⁾	–	334,110	–	330,380	–	324,843
Casper von Koskull (CEO) ⁽⁴⁾	65,215	284,571	386,513	306,358	406,339	336,341
Torsten Hagen Jørgensen (Group COO and Deputy CEO) ⁽⁵⁾	53,677	–	322,351	–	345,224	–
Group Executive Management (2015: seven, 2016: eight and 2017: eight individuals excluding the CEO and the Group COO and Deputy CEO) ⁽⁶⁾	1,837,118	8,741,323	1,188,910	3,922,800	870,088	649,295

(1) The pension expense is related to pension premiums paid in defined contribution agreements and pension rights earned during the year in defined benefit agreements (“current service costs” and “past service costs” as defined in “*IAS 19 – Employee Benefits*”). Of the total pension expense for the year ended 31 December 2017, EUR 1,593,736 (2016: EUR 1,868,269; 2015: EUR 1,366,811) relates to defined contribution agreements.

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

(3) Employee representatives excluded. The pension obligation is in accordance with the collective pension agreement BTP2 and earned during the employment period for one Swedish member of the board of directors.

(4) The pension agreement is a defined contribution plan. The contribution is 30 per cent of fixed salary, consisting of the collective agreement BTP1 and a complementary additional contribution. The pension expense as CEO is presented for the period appointed CEO, for the period 1 January to 31 December 2016 and for the period 1 November to 31 December 2015. The pension obligation is in accordance with the collective pension agreement BTP2 and earned as a member of Group Executive Management. The pension expense as member of Group Executive Management is included together with other members of Group Executive Management for the period 1 January 2015 to 31 October 2015.

(5) The Group COO and Deputy CEO’s pension agreement is a defined contribution plan and the contribution is 30 per cent of fixed salary. The pension expense as Group COO and Deputy CEO is presented for the period appointed Group COO and Deputy CEO, 1 January to 31 December 2016 and for the period 1 November 2015 to 31 December 2015. The pension expense as a member of Group Executive Management is included together with other members of Group Executive Management for the period 1 January 2015 to 31 October 2015.

(6) Members of Group Executive Management included for the period they are appointed. The pension obligation is the obligation towards the members of Group Executive Management as of 31 December. Compensation during the notice period 2016, for resigned Group Executive Management members, amounted to EUR 0.3 million and is excluded from the table above.

For additional information on the pensions of the members of Nordea Sweden’s board of directors and Group Executive Management, see “*Note G7*” to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Share Ownership

The following table sets forth the number of shares in Nordea Sweden owned by the members of Nordea Sweden’s board of directors and Group Executive Management as of 31 December 2017:

	Shares⁽¹⁾	Options⁽²⁾
Members of the board of directors		
Björn Wahlroos.....	100,000	–
Lars G Nordström.....	23,250	–
Pernille Erenbjerg.....	–	–
Robin Lawther.....	50,000	–
Sarah Russell.....	–	–
Silvija Seres.....	–	–
Kari Stadigh.....	100,000	–
Birger Steen.....	–	–
Maria Varsellona.....	–	–
Lars Wollung.....	20,000	–
Kari Ahola.....	–	–
Toni H. Madsen.....	3,299	–
Hans Christian Riise.....	–	–
Gerhard Olsson.....	–	–
Members of Group Executive Management		
Casper von Koskull.....	257,362	–
Torsten Hagen Jørgensen.....	128,370	–
Erik Ekman.....	–	–
Matthew Elderfield.....	–	–
Julie Galbo.....	529	–
Heikki Ilkka.....	–	–
Topi Manner.....	55,615	–
Martin A Persson.....	–	–
Snorre Storset.....	12,300	–
Karen Tobiasen.....	1,200	–
Christopher Rees ⁽³⁾	–	–

(1) Includes shares held directly as well as shares held by family members and closely affiliated legal entities.

(2) Includes options held directly as well as options held by family members and closely affiliated legal entities.

(3) Nordea has announced that Christopher Rees has been appointed the new Group CFO, Head of Group Finance & Treasury and member of Group Executive Management from 1 March 2018.

Similar to other shareholders of Nordea Sweden, the members of Nordea Sweden’s board of directors and Group Executive Management who hold shares in Nordea Sweden will receive as merger consideration one new share in Nordea Finland for each share in Nordea Sweden that they own as of the Completion Date (*i.e.*, the Merger Consideration).

Nomination Process

The 2017 AGM of Nordea Sweden decided to establish a Nomination Committee whose task is to propose members of the board of directors and the Chairman of the board of directors and external auditors, as well as remuneration to the members of the board of directors and external auditors. The Nomination Committee established by the 2017 AGM of Nordea Sweden will consist of the Chairman of the board of directors and four other members to be appointed by the four largest shareholders in Nordea Sweden in terms of voting rights, determined on the basis of voting rights held as of 31 August 2017.

As of the date of this Prospectus, the Nomination Committee, established in accordance with the 2017 AGM resolution, consists of Björn Wahlroos (Chairman of the board of directors) and Torbjörn Magnusson (appointed by Sampo plc), Mogens Hugo (appointed by Nordea-fonden), Katarina Thorslund (appointed by Alecta) and Anders Oscarsson (appointed by AMF Funds). Torbjörn Magnusson is the Chairman of the Nomination Committee.

The proposals of the Nomination Committee to the AGM of Nordea Sweden in 2018 were announced on 25 January 2018. The Nomination Committee proposes that all members of the board of directors, other than Kari Stadigh and Lars Wollung who have declined re-election, be re-elected and that Nigel Hinshelwood and Torbjörn Magnusson be elected as new members of the board of directors and, further, that Björn Wahlroos be re-elected as

Chairman of the board of directors, in each case until the end of the next AGM. Björn Wahlroos and Torbjörn Magnusson have not taken part in the decisions as regards themselves.

As of the date of this Prospectus, Nigel Hinshelwood, born 1966, is a non-executive director on the board of Marks & Spencer Financial Services plc. Previously, Mr Hinshelwood was a board member of The Saudi British Bank and chairman and non-executive director of many HSBC Group Banking and Insurance companies across the United Kingdom, France, Russia, Saudi Arabia and Bermuda. Mr Hinshelwood was also Head of the UK and Deputy Chief Executive Officer of HSBC Bank plc, a Group General Manager at HSBC in a variety of senior global roles including Global Head of Operations, Chief Operating Officer for Europe, Middle East and Africa, Head of HSBC Insurance Holdings and Head of Business Transformation, and, prior to joining HSBC, a partner at Ernst & Young (subsequently Capgemini Ernst & Young) where he held numerous positions including Head of Financial Services and Chief Executive Officer of Southeast Asia. Mr Hinshelwood was also a Group General Manager with Unisys where he was responsible for the Financial Services practice in Asia Pacific.

As of the date of this Prospectus, Mr Hinshelwood owns no shares in Nordea. Mr Hinshelwood is considered independent in relation to Nordea and its management.

As of the date of this Prospectus, Torbjörn Magnusson, born 1963, is Chairman of the boards of directors of If P&C Insurance Ltd (publ) and Topdanmark A/S and vice president of the insurance federation Insurance Europe. He is also a member of the boards of directors of If P&C Insurance Holding Ltd (publ), the Swedish Insurance Employer Association, the Swedish Insurance Federation FS – Svensk Försäkring Service AB and Försäkringsbranschens Arbetsgivareorganisations Service AB. Mr Magnusson has been President and CEO of If P&C Insurance Holding Ltd (publ) since 2002. Mr Magnusson was Head of Commercial Business Division from 2001 to 2002, Head of Commercial Products from 1999 to 2001, Head of P&C Support from 1998 to 1999 and Chief Controller from 1996 to 1997. Before that, Mr Magnusson worked at Mercantile & General Insurance from 1994 to 1996, Skandia International from 1990 to 1993 and Arthur Andersen & Company from 1988 to 1989.

As of the date of this Prospectus, Mr Magnusson owns no shares in Nordea. Mr Magnusson is not considered independent in relation to Nordea's major shareholders as he is a member of the Group Executive Committee of Sampo plc, which owns more than 10 per cent of all shares and votes in Nordea.

For information about the nomination process that will apply following the completion of the Merger, see "*Summary of Finnish Company Law and Corporate Governance—Board of Directors—Nomination Process*".

Independence

Nordea Sweden complies with applicable rules set forth in the Swedish Corporate Governance Code regarding the independence of the board of directors. The Nomination Committee considers all members of Nordea Sweden's board of directors elected by the shareholders, apart from Björn Wahlroos and Kari Stadigh, independent in relation to the Company's major shareholders. As of the date of this Prospectus, Björn Wahlroos is the Chairman of the board of directors of Sampo plc and Kari Stadigh is the Group CEO and President of Sampo plc, which owns more than 10 per cent of all shares and votes in Nordea Sweden.

All of the members elected by the shareholders are independent of Nordea Sweden and its executive management.

No member of Nordea Sweden's board of directors elected by the shareholders at the general meeting is employed by or working in an operative capacity in the Nordea Group. The members and the deputy members of Nordea Sweden's board of directors appointed by the employees are employed by the Nordea Group and therefore are not independent of the Nordea Group.

The number of members of Nordea Sweden's board of directors who are independent in relation to the Nordea Group and its executive management as well as independent in relation to Nordea Sweden's major shareholders exceeds the minimum requirement set forth in the Swedish Corporate Governance Code, which states that at least two of the board members elected by the general meeting who are independent of the company and the company's executive management shall also be independent of the company's major shareholders.

Following the completion of the Merger, the rules regarding independence of the board of directors will be governed by, among others, the Finnish Corporate Governance Code, the Finnish Act on Credit Institutions, the guidelines and regulations of the FFSA and the new EBA guidelines on internal governance under directive 2013/36/EU ("**GL 11**"). For further information on the rules that will apply, see "*Summary of Finnish Company Law and Corporate Governance—Board of Directors—Independence Requirements*".

Board Committees

This section contains a description of the Board Committees of Nordea Sweden as of the date of this Prospectus. For information on the board committees and the legislation and self-regulation that will apply to Nordea Finland following the completion of the Merger, see “*Summary of Finnish Company Law and Corporate Governance—Board of Directors—Committees of the Board of Directors*”.

In accordance with the external framework and in order to increase the effectiveness of its work, Nordea Sweden’s board of directors has established separate working committees to assist the board of directors in preparing matters belonging to the competence of the board of directors and to decide in matters delegated by the board of directors. The duties of the Board Committees, as well as working procedures, are defined in the Committee Charters.

Board Audit Committee

The Board Audit Committee assists the board of directors in fulfilling its oversight responsibilities by, among other things, monitoring the Nordea Group’s financial reporting process and providing recommendations and proposals to ensure its reliability, monitoring the effectiveness of Group Internal Audit, keeping itself informed as to the statutory audit of the annual and consolidated accounts and by reviewing and monitoring the impartiality and independence of the external auditors. As of the date of this Prospectus, the members of the Board Audit Committee are Sarah Russell (Chairman) and Pernille Erenbjerg. Silvija Seres has been appointed as an ad hoc substitute member of the Board Audit Committee to attend, when requested by the Chairman of the Board Audit Committee, Board Audit Committee meetings in extraordinary situations when the Board Audit Committee would otherwise not be able to constitute a quorum. Generally, the Group Chief Audit Executive and the Group CFO as well as the external auditors of the Company are present at meetings with the right to participate in discussions but not in decisions.

Pursuant to the Swedish Companies Act and the Swedish Corporate Governance Code, the majority of the members of Board Audit Committee are to be independent of the Nordea Group and its executive management. At least one of the committee members who is independent of the Nordea Group and its executive management must also be independent of Nordea Sweden’s major shareholders and have competence in accounting and/or auditing. None of the members of the Board Audit Committee may be employed by the Nordea Group. The Chairman of the Board Audit Committee must be appointed by its members and be independent of the Nordea Group, its executive management and Nordea Sweden’s major shareholders as well as not be the Chairman of the board of directors or of any other Board Committee. Nordea Sweden complies with these requirements.

Board Risk Committee

The Board Risk Committee assists the board of directors in fulfilling its oversight responsibilities concerning the management and control of the risks, risk frameworks, controls and processes associated with the Nordea Group’s operations, including credit, market, liquidity, business, life and operational risk. The duties of the Board Risk Committee include reviewing the development of the Nordea Group’s overall risk management and control framework, as well as the Nordea Group’s risk profile and key risk issues. In addition, the Board Risk Committee reviews and makes recommendations regarding the Nordea Group’s risk appetite and limits for market and liquidity risks. Further, the Board Risk Committee reviews resolutions made by lending entities concerning credits or limits above certain amounts, as well as strategic credit policy matters and the development of the credit portfolio. As of the date of this Prospectus, the members of the Board Risk Committee are Kari Stadigh (Chairman), Lars G Nordström and Silvija Seres. Generally, the CRO and, when deemed important and to the extent possible, the CEO are present at meetings with the right to participate in discussions but not in decisions. According to regulations issued by the SFSA, the members of the Board Risk Committee shall be board members who are not members of the company’s executive management. Nordea Sweden complies with these requirements.

Board Remuneration Committee

The Board Remuneration Committee is responsible for preparing and presenting proposals to the board of directors on remuneration issues. This duty includes proposals regarding the Nordea Group’s remuneration policy and underlying instructions, as well as guidelines for remuneration of the executive officers to be decided by the AGM. The Board Remuneration Committee is also responsible for proposals regarding the remuneration of the CEO, the Group Deputy CEO and COO, other members of Group Executive Management as well as for the Chief Audit Executive. The Board Remuneration Committee follows up, at least annually, on the application of the Nordea Group’s remuneration policy and underlying instructions through an independent review by the Group Internal Audit as well as assesses the Nordea Group’s remuneration policy and remuneration system with the participation of the appropriate Group control functions. The Board Remuneration Committee also has the duty of annually monitoring, evaluating and reporting to the board of directors on the programmes for variable remuneration to members of Group Executive Management, as well as the application of the guidelines for remuneration of executive officers. At the request of the board of directors, the Board Remuneration Committee also prepares other issues of principle for the consideration of the board of directors. As of the

date of this Prospectus, the members of the Board Remuneration Committee are Robin Lawther (Chairman) and Björn Wahlroos. Generally, the CEO and the Chief People Officer are present at the meetings with the right to participate in discussions but not in decisions. Further, the CEO and the Chief People Officer do not participate in considerations regarding his/her respective employment terms and conditions. According to the Swedish Corporate Governance Code, the members of the Board Remuneration Committee must be board members who are independent of the Nordea Group and its management, and not employed by the Nordea Group. As of the date of this Prospectus, Nordea Sweden complies with this rule. See also “—*Independence*” above.

Board Operations and Compliance Committee

The Board Operations and Compliance Committee assists the board of directors in fulfilling its oversight responsibilities with respect to conduct, sustainability, compliance, operations and systems as well as related frameworks and processes without prejudice to the tasks of the other board committees. The duties of the Board Operations and Compliance Committee include advising the board of directors on the Nordea Group’s overall strategy in these areas and assisting the board of directors in overseeing the implementation of this strategy by senior management. The Board Operations and Compliance Committee also reviews any significant adverse reports or sanctions issued by supervisory authorities and management’s action plans for, and the progress of, remediation programmes and significant change programmes in the areas related to the work of the Board Operations and Compliance Committee. In addition, the Board Operations and Compliance Committee monitors that the Nordea Group conducts its operations responsibly and adhering to the Nordea Group’s values and ethical standards.

As of the date of this Prospectus, the members of the Board Operations and Compliance Committee are Birger Steen (Chairman), Maria Varsellona and Lars Wollung. Generally, the Group Compliance Officer, the Group COO and, to the extent possible, the Chief Audit Executive, are present at meetings with the right to participate in discussions but not in decisions. The CRO attends meetings when the Board Operations and Compliance Committee discusses operational risk (other than compliance risk) with the right to participate in discussions but not in decisions. The Board Operations and Compliance Committee shall be composed of members of the board of directors who do not perform any executive function in the Nordea Group.

Information on the Members of the Board of Directors and Group Executive Management

Other than as described below, the members of Nordea Sweden’s or Nordea Finland’s board of directors or Group Executive Management have not, during the previous five years:

- had any convictions in relation to fraudulent offences;
- been in a managerial position, such as a member of the administrative or management or a supervisory body or belonged to the senior management, of any company at the time of its bankruptcy, receivership or liquidation (excluding liquidation which has been carried out in order to dissolve the company due to tax reasons or reasons related to the simplification of group structure); or
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and/or been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from managing the affairs of any company.

On 20 March 2017, the SFSA imposed a special fee of SEK 15,000 on Topi Manner, a member of Group Executive Management, for failure to timely report changes in his shareholding in Nordea.

Conflicts of Interest

Under both Swedish and Finnish law, a member of the board of directors may not participate in the handling of a contract between himself or herself and the company. Further, under Swedish law, a board member may not participate in the handling of a contract between the company and a third party if he or she has a material interest that may be contrary to the company’s interest or if the board member is authorised to, alone or jointly, represent the third party. Similarly, under Finnish law, a board member may not participate in the handling of a contract between the company and a third party if he or she may thereby receive a material benefit that may be contrary to the interests of the company. Both in respect of Sweden and Finland, these provisions also apply to any other legal act, legal proceeding or other similar matter and in respect of the CEO.

To the best knowledge of Nordea Finland, except for their legal and/or beneficial interest in shares in Nordea Sweden and Nordea Finland, there are no (i) conflicts of interest between any duties to Nordea Sweden or Nordea Finland of any member of their respective board of directors or Group Executive Management and their private interests and/or other duties; (ii) arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which any member of Nordea Sweden’s or Nordea Finland’s board of directors or Group Executive Management was elected; or

(iii) restrictions agreed by any member of Nordea Sweden's or Nordea Finland's board of directors or Group Executive Management on the disposal of their holdings in Nordea Sweden's or Nordea Finland's securities within a certain time.

Internal Control

The board of directors of Nordea Sweden bears the ultimate responsibility for limiting and monitoring Nordea Sweden's risk exposure. Risk management is considered to be an integral part of running the business, and the main responsibility for performing risk assessments regarding financial reporting lies with the business organisation. The Nordea Group's finance and business control has also established specific quarterly reporting regarding internal control over financial reporting to the CFO covering risk management and high risk areas. The independent risk control function within the Nordea Group's risk management and control reports specifically on financial reporting risk to the board audit committee and the CEO on a quarterly basis.

Pursuant to Finnish legislation, Nordea Finland must have independent risk control, compliance and internal audit functions arranged to ensure effective and comprehensive internal control for all areas of its operation, which is also the case under Swedish applicable rules and regulations. As of the date of this Prospectus, the board of directors of Nordea Finland deems that the control environment of Nordea Sweden complies with the relevant Finnish legal framework. Consequently, no significant changes will be made to the control environment following the Merger.

External Auditors

At the 2017 AGM of Nordea Sweden, Öhrlings PricewaterhouseCoopers AB was re-elected as the auditor of Nordea Sweden until the end of the 2018 AGM. Peter Clemedtson has been assigned as the auditor in charge. Öhrlings PricewaterhouseCoopers AB and Peter Clemedtson are members of FAR SRS (the Swedish Institute of Authorised Public Accountants). Öhrlings PricewaterhouseCoopers AB has the following office address: Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, SE-113 21 Stockholm, Sweden.

According to Nordea Finland's articles of association, Nordea Finland must have one audit firm as auditor, whose chief auditor is to be approved by the Finland Chamber of Commerce. The assignment as auditor will continue until the end of the first AGM held after the election of the auditor. PricewaterhouseCoopers Oy, Authorised Public Accountants, has been elected as Nordea Finland's auditor until the end of the 2019 AGM. Juha Wahlroos, Authorised Public Accountant, has been assigned as the auditor in charge. PricewaterhouseCoopers Oy has the following office address: Itämerentori 2, FI-00100 Helsinki, Finland.

SUMMARY OF FINNISH COMPANY LAW AND CORPORATE GOVERNANCE

The following summary contains a general description of certain company law and corporate governance considerations that will be relevant for Nordea Finland following the Merger or, in certain cases following the granting of the credit institution licence to Nordea Finland, as well as a comparison of certain material differences compared to rules applicable to Nordea Sweden. For the sake of clarity, Nordea Finland intends to comply with the requirements when applicable. The summary is not exhaustive and is based on the laws in effect as of the date of this Prospectus.

Applicable Legislation and Self-regulation

Nordea Finland is a public limited liability company incorporated in Finland and subject to, among other laws, the Finnish Companies Act. Nordea Finland will, at the time of the completion of the Merger, be a public limited liability banking company and as such be subject to, among other laws, the Finnish Act on Credit Institutions and the Finnish Commercial Banking Act.

According to the rules of Nasdaq Helsinki, all issuers of shares that are traded on the official list of Nasdaq Helsinki must comply with the Finnish Corporate Governance Code. Consequently, following the completion of the Merger and the Listing, Nordea Finland must comply with the Finnish Corporate Governance Code. The recommendations of the Finnish Corporate Governance Code are supplementary to the provisions of law and work in accordance with the “comply or explain” principle. Therefore, a company may deviate from the specific recommendations of the Finnish Corporate Governance Code provided that it reports each deviation and explains the reasons for it. Nordea Finland will comply with the Finnish Corporate Governance Code following the Merger and the Listing.

As of the date of this Prospectus, Nordea Sweden complies with the Swedish Corporate Governance Code. Since Nordea Finland must comply with the Finnish Corporate Governance Code, the Swedish Corporate Governance Code will not be applied by Nordea Finland as applying two separate codes could result in conflicting requirements and outcomes. Nordea Finland’s corporate governance practices are not expected to deviate from the Swedish Corporate Governance Code in any significant respect. However, there are certain differences between the Finnish Corporate Governance Code and the Swedish Corporate Governance Code, some of which are described in this section.

The Finnish corporate governance regime is based on the principle of majority rule, which is intended to promote active ownership. This is balanced by the principle of equal treatment, qualified majority requirements and the rights given to minority shareholders, as well as a clear division between the responsibilities of the governing bodies of companies.

Sound corporate governance for companies listed in Finland is based on a combination of laws and decrees issued on the basis of the relevant laws, as well as self-regulation and other best practices. The most important regulations are contained in the Finnish Companies Act, the Finnish Act on Credit Institutions, the Finnish Securities Markets Act, the Finnish Auditing Act (Fi: *tilintarkastuslaki (1141/2015)*) and the Finnish Accounting Act. Finnish listed companies are also subject to relevant EU regulations, the rules of Nasdaq Helsinki (including the Finnish Corporate Governance Code and the associated reporting requirements), as well as the regulations and guidelines issued by the FFSA and the EBA, including, among others, GL 11 and ESMA and the EBA guidelines on the assessment of the suitability of members of the management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU (“GL 12”), which will enter into force on 30 June 2018. The corresponding regulations for Swedish listed companies include the Swedish Banking and Financing Business Act, the Swedish Annual Reports Act for Credit Institutions and Securities Companies (Sw: *lag (1995:1559) om årsredovisning i kreditinstitut och värdepappersbolag*), regulations and guidelines issued by the SFSA and by EBA.

Sound corporate governance in Sweden is based on, in addition to Swedish laws and the Swedish Corporate Governance Code, statements made by the Swedish Securities Council. The Swedish Securities Council promotes good practices on the Swedish stock market through statements, advice and information. The Swedish Securities Council is part of the Swedish system of self-regulation on the stock market. The Swedish Securities Council may evaluate and determine matters relating to, among others, companies listed on Nasdaq Stockholm. In respect of foreign companies listed on Nasdaq Stockholm, such evaluations may be made to the extent their actions must comply with Swedish rules. In its past practices, the Swedish Securities Council has declined to evaluate matters that are typically governed by the company law applicable to the foreign company, for example, decision-making of the foreign company, including decisions regarding issues of securities. However, based on past practices of the Swedish Securities Council, it cannot be ruled out that the Swedish Securities Council in a specific situation will determine that foreign companies will have to fulfil additional disclosure requirements (in addition to what may follow from the laws applicable to the foreign company) in order to comply with good practices on the Swedish stock market based on the rationale that such matters relate primarily to the transparency on the stock market rather than applicable company laws.

The corporate governance regime applicable to Nordea Finland following the Merger and certain key differences to the corporate governance regime currently applicable to Nordea Sweden are discussed below.

General Meetings

General

The highest governing body of Nordea Finland is the general meeting, at which the shareholders exercise their decision-making powers.

General meetings in Nordea Finland may only decide on matters provided for by law or Nordea Finland's articles of association, or on any other matters referred to the general meeting by the board of directors. If a shareholder of Nordea Finland wishes that the board of directors refers a matter to a general meeting, the shareholder may submit a written request therefor no later than four weeks before the notice to attend the meeting is issued. However, unlike under Swedish law, where the ability of the board of directors to decline such a request is very limited, the rights of the shareholders of Nordea Finland to have a matter dealt with by the general meeting are restricted to matters that are to be decided on by the general meeting pursuant to applicable law or Nordea Finland's articles of association. Such matters include the remuneration and appointment of directors and auditors, adoption of the company's financial statements, distribution of assets, discharge from liability of the board of directors and the CEO, amendments to the articles of association and decisions relating to the company's shares or share capital. Should a shareholder of Nordea Finland submit a request to the board of directors to have any other kind of matter concerning the company addressed at a general meeting, the board of directors may, at its sole discretion, determine whether or not the matter should be included on the meeting agenda.

For both Nordea Finland and Nordea Sweden, the general meeting may only decide on matters that have been included in the notice of the general meeting or that under applicable laws or the articles of association are to be dealt with by the general meeting.

Voting rights may be restricted in the articles of association of a company under Swedish and Finnish law. Nordea Sweden does not have and Nordea Finland will not have such restrictions in their respective articles of associations.

Holding of General Meetings

Historically, the general meetings of Nordea Sweden have been held in Stockholm. Following the Merger, the general meetings of Nordea Finland are to be held in Helsinki unless there are particularly significant grounds for holding the general meeting at another location.

Pursuant to the articles of association of Nordea Finland, the AGM must be held annually within five months from the end of the financial year. An EGM in respect of specific matters is convened when deemed necessary by the board of directors, or when requested in writing by an auditor of the company or by shareholders representing at least one-tenth of all of the issued and outstanding shares in the company.

Notice to a general meeting of Nordea Finland must be furnished to its shareholders by notification on the company's website no earlier than three months, and no later than three weeks, prior to the date of the general meeting. As Nordea Finland will be a listed company following the completion of the Merger, notice of the general meeting must be published as a stock exchange release prior to providing notice as specified in the articles of association.

Under both Swedish and Finnish law, shareholders may vote all shares they own or represent unless otherwise stated in the articles of association. The articles of association of Nordea Finland and Nordea Sweden do not contain such restrictions. The determination of who is a shareholder and consequently eligible to attend and vote at a general meeting is made, both in Sweden and in Finland, based on the shareholder being entered as such in the share register maintained by Euroclear Finland eight business days prior to the general meeting (in respect of Nordea Finland and directly registered shareholders) or in the share register maintained by Euroclear Sweden five business days prior to the general meeting (in respect of Nordea Sweden). In respect of Denmark, both before and after the Merger, the determination of who is a shareholder for purposes of general meetings is based on the shareholder being entered as such in the share register maintained by VP Securities on the applicable record date (*i.e.*, five business days in respect of Nordea Sweden and eight business days in respect of Nordea Finland). There are no quorum requirements for general meetings of Nordea Finland or Nordea Sweden.

Holders of nominee-registered shares in Nordea Finland have the right to participate in general meetings if the shareholder has been temporarily registered as the holder of such shares in the company's shareholder register maintained by Euroclear Finland no later than 10:00 a.m. (Finnish time) on the third business day prior to the general meeting. As regards nominee-registered shares, this temporary registration also constitutes the registration for participating in the general meeting. Such temporary registrations in the shareholders' register are typically handled by the nominee (*i.e.*, the custodian bank) and holders of nominee-registered shares will need to contact their respective banks in good time prior to general meetings.

Any shareholder not personally present at the general meeting may exercise his or her rights at the meeting by proxy holding a written power of attorney that is dated and signed by the shareholder. Under Finnish law, there is no time restriction on the validity of a power of attorney. However, the power of attorney is only valid for the immediately following general meeting, unless it is expressly stated otherwise in the power of attorney.

Information to Shareholders at General Meetings

At the request of a shareholder of Nordea Finland, the board of directors and the CEO must provide information at general meetings on circumstances that may affect a matter to be resolved by the general meeting. If the financial statements of the company are to be dealt with at the general meeting, the board of directors and the CEO must also give information on the financial position of the company, including the relationship of the company with other Group companies. However, information may not be provided if it is deemed to cause significant harm to the company.

If a question by a shareholder cannot be answered based on information available at the general meeting, an answer must be provided in writing within two weeks of the general meeting. The answer must be sent to the shareholder who asked the question and to other shareholders that so request.

Overall, the information obligations of the board of directors and the CEO of Nordea Finland at the general meeting materially correspond to the obligations currently applicable to Nordea Sweden.

Majority Requirements at General Meetings

Under Finnish and Swedish law, resolutions by the general meeting are generally passed with the majority of the votes cast. In the case of elections, the person who receives the most votes is deemed elected (with board members being elected individually). However, similar to Swedish law, the following resolutions of Nordea Finland, among others, require a majority of two-thirds of all votes cast and of the shares represented at the general meeting:

- amendments to the articles of association;
- directed issues of shares, warrants and convertible instruments or authorisations for the board of directors to resolve on such issues (see “—*Issues of Shares*” below);
- acquisitions of own shares (see “—*Redemption of Shares and Acquisitions of Own Shares*” below); and
- approvals of merger plans and demerger plans.

In contrast to Swedish law, resolutions to reduce the share capital do not require a two-thirds majority under Finnish law. Further, any amendments of the articles of association of Nordea Sweden require the subsequent approval by the SFSA, while amendments of the articles of association of Nordea Finland only require a notification to the FFSA (*i.e.*, FFSA approval is not required under Finnish law). Contrary to Swedish law, resolutions to issue shares to members of the board of directors, the CEO and employees do not under Finnish law require a majority of 90 per cent of the votes cast as well as the shares represented at the general meeting but, instead, such resolution may be passed with a two-thirds majority similar to any other directed issues of shares (see “—*Issues of Shares—Share Issues to Directors and Employees*” below).

Objections and the Possibility to set aside a Resolution of the General Meeting

A shareholder of a Finnish company may object to a decision by the general meeting and bring proceedings against the company in a competent district court to have the decision set aside or amended. Such proceedings must, unless certain circumstances apply, be brought within three months of the decision or the decision becomes binding. An objection to a decision may be made if the decision is contrary to the Finnish Companies Act or the articles of association of the company. If the breach concerns a procedural provision of the Finnish Companies Act or the articles of association, the decision can only be challenged if the breach may have affected the contents of the decision or the rights of a shareholder.

The three-month limitation period does not apply if (i) a notice of the general meeting that resolved on the matter was not issued or if any provision governing the notice requirements was materially breached; (ii) the decision requires the consent of affected shareholders pursuant to Chapter 5, Section 29 of the Finnish Companies Act, and no such consent has been granted; and (iii) the decision is such that it, pursuant to the Finnish Companies Act, cannot be made notwithstanding the consent of all shareholders. However, should a shareholder of Nordea Finland wish to object to a decision regarding a merger or a demerger, such objection must nonetheless be made within six months of the registration of the merger or the demerger with the Finnish Trade Register.

If a challenge is successful, the court may declare the decision invalid or amend the decision. The decision may be amended only if it can be ascertained what the correct contents of the decision should have been. If the decision is declared invalid or amended it is effective in relation to all shareholders, including shareholders who have not joined in

the action. A shareholder can also request that the company be prevented from implementing the challenged decision during the court proceeding.

Transactions with Closely Related Parties

According to the rules of both Nasdaq Stockholm and Nasdaq Helsinki, a transaction between a listed company and its closely related parties that is not entered into in the normal course of business must be disclosed when the decision regarding such a transaction is taken, unless the transaction is insignificant to the parties involved.

Further, according to the Finnish Corporate Governance Code, a company must evaluate and monitor transactions concluded between the company and its related parties and must consider any conflicts of interest arising in the decision-making process. If a transaction with a related party is material for the company and either deviates from the company's normal business operations or is not made on market terms, the company must report the decision-making process for such transaction in its corporate governance statement. The company must keep a list of parties that are related to the company, consisting of the related parties that the company has identified as such in preparing its financial statements. For additional information on the transaction with closely related parties, see "*Related Party Transactions*" as well as "*Note G1—Section 27 (Related party transactions)*" and "*Note G45*" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

Shareholders' Rights Directive

Directive (EU) 2017/828 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (the "**SHRD II**") came into force on 9 June 2017. Pursuant to the SHRD II, material transactions with related parties must be approved by the general meeting or by the administrative or supervisory body of the company according to procedures that prevent the related party from taking advantage of its position and provide adequate protection for the interests of the company and of the shareholders who are not related parties, including minority shareholders. Furthermore, member states may provide for shareholders at the general meeting to have the right to vote on material transactions with related parties that have been approved by the administrative or supervisory body of the company. The SHRD II is to be implemented into national legislation by 10 June 2019, and the implementation in Finland and Sweden is currently pending. There are no specific requirements for transactions with closely related parties from the perspective of good practices on the Finnish stock market, save for the rules of Nasdaq Helsinki and the expected implementation of the SHRD II.

In Sweden, the Swedish Securities Council has stated (in its statement 2012:05) that if shares in subsidiaries or other assets that are not insignificant are acquired from or divested to officers, directors or larger shareholders (being defined as holders of more than 10 per cent of the shares or votes), good practices on the Swedish stock market require that additional requirements apply. These requirements include that (i) the general meeting must resolve on the transaction; (ii) a valuation statement or a fairness opinion from an independent expert must be presented to the general meeting; (iii) a statement from the board of directors, containing all relevant financial and other information required by the shareholders to form an opinion of the transaction, must be presented to the general meeting; and (iv) an officer, director or shareholder who is a counterparty in the transaction must be prohibited from voting any shares in respect of the relevant resolution. As this statement only applies to Swedish companies, it will not apply to Nordea Finland following the completion of the Merger.

Limitations on the Granting of Credit to Certain Persons and Shareholders

The board of directors of a Finnish company can delegate the decision-making process for the granting of credit to the management or a credit committee, provided that the granting of credit is made in compliance with the rules of procedures, general conditions, principles and approved instructions for the granting of credit. This is similar to Sweden, where the board of directors may delegate decisions on the granting of credit to a separate working group or committee, provided that the board of directors has adopted sufficient rules of procedures, general conditions and instructions for the granting of credit. However, both Swedish and the Finnish law set out that the board of directors may not delegate the granting of credit if the credit is to be granted to certain selected persons as outlined below.

Under the Finnish Act on Credit Institutions, if a loan or comparable financing is to be granted to a closely related party of a credit institution, the board of directors must approve either the transaction or the general terms governing such transactions. The same applies in respect of decisions concerning investments in an undertaking belonging to a closely related party. Such financing or investment transactions may not be executed under terms different from the terms generally applied for similar transactions between independent parties. Furthermore, a credit institution must report to the FFSA any decisions and conditions concerning transactions with closely related persons. Closely related persons of a credit institution include:

- (a) a person who, on the basis of ownership, an option right or a convertible loan, holds or may hold at least 20 per cent of the shares or participations in the credit institution or of the voting rights attached thereto or a corresponding holding or corresponding voting rights in an organisation belonging to the group of the credit

institution or exercising dominant influence over the credit institution unless the company subject to the ownership is insignificant with regard to the entire group;

- (b) a member and a deputy member of the board of directors, a CEO and his or her deputy, an auditor, a deputy auditor and an employee of an audit organisation with main responsibility for the audit as well as a person in a corresponding position in an undertaking referred to in paragraph (a) above;
- (c) the minor children and the spouse of a person referred to in paragraph (b) above or a person living in conditions resembling marriage with such person; and
- (d) an organisation or foundation that is controlled by a person referred to in this section alone or together with another person.

Under the Swedish Banking and Financing Act, if a service agreement, including a loan or comparable financing, or any other agreement is to be entered into or granted to a person with bias, the board of directors must approve the transaction. Furthermore, Nordea Sweden may not enter into any such service agreement subject to terms and conditions that differ from those Nordea Sweden normally applies, or enter into other agreements subject to terms and conditions that are not commercially justified. As defined in the Swedish Banking and Financing Act such persons with bias are:

- (a) members of the board of directors;
- (b) persons in a senior management position who alone or together with a third party is authorised to determine lending matters which otherwise must be determined by the board of directors;
- (c) employees who holds a senior position within the institution;
- (d) shareholders or holders of participating interests, other than the State, with holdings equal to at least 3 per cent of the outstanding capital;
- (e) spouses or co-habitees of a person referred to in paragraphs (a) to (d) above; and
- (f) legal persons in which such a person as referred to in paragraphs (a) to (e) above a significant financial interest (including indirect interests) in the capacity of owner or member.

In addition to the above, the Swedish Banking and Financing Act also sets out that a credit institution may only grant an advance, provide loans or provide security for the acquisition of its own shares (or the shares in a parent company) and accept them as a pledge if full coverage for the restricted shareholders' equity is thereafter available. In Finland, a credit institution may only provide loans or provide security for the acquisition of its own shares (or the shares in a parent company) and accept them as a pledge if (i) the shares in the credit institution are admitted to trading on a regulated market; (ii) the granting of the loan or acceptance of the pledge belongs to the ordinary business activity of the credit institution; and (iii) the loan has been granted or the pledge has been accepted under ordinary terms complied with in the business activity of the credit institution.

Issues of Shares

Rights Issues and Directed Issues

As a starting point, shareholders of a Finnish company, like shareholders of a Swedish company, have a pre-emptive right to subscribe for new shares in proportion to their shareholdings. However, certain shareholders located outside Finland may not be able to exercise their pre-emptive rights if the laws applicable to such shareholders prevent this or require registration or other actions under local securities laws (see "*Risk Factors—Risks Relating to the Shares in Nordea Finland—Certain foreign shareholders may not necessarily be able to exercise their pre-emptive right set forth in the Finnish Companies Act or other shareholders' rights*").

A resolution that deviates from the shareholders' pre-emptive rights must be approved by at least two-thirds of all votes cast and of the shares represented at a general meeting. In addition, pursuant to the Finnish Companies Act, such resolution requires the company to have a weighty financial reason to deviate from the pre-emptive rights of shareholders and, in respect of directed share issues without consideration, the reason must be especially weighty and take the interest of all shareholders of the company into account. In Finland and Sweden, the decision must set out the reason for the deviation, which must be in the interests of all shareholders, and the basis for the subscription price. Further, under Finnish law, the subscription price must reflect the fair price of the shares in the company.

In Sweden, the Swedish Corporate Governance Board has issued a recommendation concerning directed issues that sets out the requirements for such issues from the perspective of good practices on the Swedish stock market. The recommendation requires, among other things, that the subscription price in a directed issue be equivalent to the market price. If the subscription price is determined through a customary book building procedure or through arms' length

negotiations, it is normally considered equivalent to the market price. Further, the company is required to inform the market how the subscription price has been determined and how it has been ensured that it is equivalent to the market price. As this recommendation only applies to Swedish companies, it will not apply to Nordea Finland following the completion of the Merger.

Share Issues to Directors and Employees

Under Swedish law, issues or transfers of shares, warrants or convertibles by a public limited liability company (or subsidiary of such) to board members, the CEO or employees of any group company, or to closely related parties of such person, require the approval by a majority of 90 per cent of the votes cast as well as the shares represented at the general meeting to be valid. In respect of such issues or transfers by subsidiaries, both the general meeting of the subsidiary and the public parent company must approve the resolution for it to be valid. Under Finnish law, no corresponding rules exist and the general requirement of a two-thirds majority for directed share issues and weighty financial reasons applies also in respect of share issues to board members, the CEO and employees. See also “—*Director and Executive Remuneration*” below.

In respect of Sweden, the Swedish Securities Council has stated (in its statement 2002:01) that good practices on the Swedish stock market require that additional requirements apply in respect of incentive programmes. For example, transfers of shares in listed companies by a third party, if made under incentive programme arranged by the listed company, are to be approved by the general meeting, applying the 90 per cent threshold set out in the preceding paragraph.

Further, board members are not allowed to participate in the same incentive programmes as employees. Finally, the general meeting that is to resolve on the incentive programme is to be provided with relevant information about the programme, which must include (i) what categories of employees are covered by the proposed incentive programme; (ii) the size and other terms and conditions of the proposed incentive programme; (iii) the market value of securities issued as part of the proposed incentive programme; (iv) dilution effects; (v) the potential costs for the company related to the proposed incentive programme; (vi) if and how the proposed incentive programme will be hedged; (vii) how the proposal for the incentive programme has been prepared; and (viii) the applicable majority requirement.

Based on the past practices of the Swedish Securities Council, the requirements in respect of the decision-making process are not expected to apply to Nordea Finland. However, it cannot be ruled out that the specific information requirements will need to be complied with by Nordea Finland if an incentive programme is proposed. However, in the absence of precedents and if required, this will have to be determined by the Swedish Securities Council. In respect of Finland, the Finnish Corporate Governance Code recommends that non-executive directors of the company are not included in share-based incentive programmes. See also “—*Director and Executive Remuneration—Fixed and Variable Remuneration to the CEO and Senior Executives*” below.

Dividends

General

A declaration of dividends must be adopted by the general meeting under both Finnish and Swedish law. Further, under Finnish law, the general meeting may authorise the board of directors to decide on the distribution of dividend by resolving on a maximum amount of assets to be distributed. This is not possible under Swedish law.

There are restrictions on distributions of dividends both in Finland and Sweden. As a general rule, the shareholders may not declare higher dividends than the board of directors has proposed or approved.

In Finland, the distribution of dividends or other unrestricted equity is not permitted if it is known or should be known at the time of the distribution decision that the company is insolvent or that the distribution will cause the insolvency of the company. Further, if the amount of the own funds or consolidated own funds of a credit institution falls below the capital requirement laid down in the CRR or the Finnish Act on Credit Institutions, the credit institution may not distribute dividends unless the FFSA, for a special reason, grants an exemption for a fixed period. Unless otherwise follows from the application of the restrictions discussed above, the company may distribute its reserves of unrestricted equity, less the assets that are to be left undistributed pursuant to the articles of association and the amount of development expenses capitalised in accordance with the Finnish Accounting Act.

In Sweden, dividends may only be declared to the extent there is sufficient coverage for the company’s restricted equity after the declaration of dividend and to the extent that such declaration is prudent taking into consideration the demands with respect to size of shareholders’ and the group’s equity that are imposed by the nature, scope and risks associated with operations and the company’s and the group’s need to strengthen its balance sheet, liquidity and financial position.

Minority Dividends

Under both Finnish and Swedish law, at least one-half of the profits of a financial year must be distributed as dividend if a request to this effect is made at the AGM by shareholders representing at least 10 per cent of all shares.

Under Finnish law, such dividend is to be reduced by the amount of any distributions of dividends prior to the AGM and in accordance with any relevant provisions in the company's articles of association. Further, profits in excess of the amount that can be lawfully distributed without consent by the company's creditors or in excess of 8 per cent of the company's equity cannot be distributed.

Under Swedish law, such dividend is to be reduced by (i) losses carried forward that exceed unrestricted reserves; (ii) amounts that, by law or the company's articles of association, must be transferred to restricted equity; and (iii) amounts that, pursuant to the company's articles of association, are to be used for any purpose other than distribution to the shareholders. The general meeting is not, however, obliged to resolve upon dividends in excess of 5 per cent of a company's shareholders' equity. Further, the general meeting may not declare a dividend in excess of distributable funds or in violation of the prudence rule described above.

Certain Other Rules on Shareholder Minority Protection

The General Rule on Equal Treatment of Shareholders

Pursuant to the Finnish Companies Act and the Swedish Companies Act, the general meeting may not adopt any resolution that is likely to provide an undue advantage for a shareholder or another person to the disadvantage of the company or another shareholder.

Mandatory Redemptions (Buy-outs) of Shareholdings of Minority Shareholders

Mandatory redemptions of minority shareholders are possible under both Finnish and Swedish law and follow the same general procedure. A shareholder with more than 90 per cent of all shares and votes in a company is entitled to redeem the remaining shares at a fair price. A shareholder whose shares may be so redeemed is entitled to demand the redemption of its shares.

When calculating the shareholdings with respect to the redemption right, also shares owned by a party in which the redeemer has a controlling interest in as well as shares owned jointly by the redeemer and a third party are taken into account. Any voting restrictions pursuant to the law or the articles of association are not taken into account when assessing the redemption right. In calculating the total number of shares, shares owned by the company (treasury shares) or its subsidiaries are not included.

Under Finnish law, if a mandatory public bid has preceded the redemption of the shares of minority shareholders, the price offered in the public bid will be deemed to constitute the fair price of the share. If the right to redeem the shares of minority shareholders is based on a voluntary public bid and the redeemer has, as a consequence of the bid, acquired at least 90 per cent of the shares subject to the bid, the price offered in the voluntary public bid will constitute the fair price of the shares, unless particular reasons exist to deviate from the general rule.

Disputes regarding the redemption right and price are to be referred to mandatory arbitration. The redeemer is generally liable for its own arbitration costs and the costs of the arbitral tribunal. However, a minority shareholder actively taking part in arbitration proceedings regarding the redemption of minority shares may become partially liable for such costs in the event that the shareholder has, for example, presented frivolous claims or unduly caused delays in the proceedings. The threshold for shareholder cost liability is generally considered high.

Special Audits

Under Finnish law, a shareholder can file an application for the carrying out of a special audit with the competent Finnish Regional State Administrative Agency (Fi: *Aluehallintovirasto*). The audit is to cover either the governance and accounts of the company for any particular period or certain actions or circumstances of the company. The application is to be granted if shareholders representing at least 10 per cent of all outstanding shares (or at least 10 per cent of shares of any class of shares), or one-third of shares (or one-third of any class of shares) represented at the general meeting, have supported the filing of the application, and there are weighty reasons for conducting the special audit. Except for the requirement of weighty reasons, which does not apply under Swedish law, these rules are generally consistent with the corresponding Swedish rules.

Pursuant to the Finnish Act on the Financial Supervisory Authority (Fi: *laki Finanssivalvonnasta (878/2008)*) (the "**Finnish Act on the Financial Supervisory Authority**"), the FFSA may appoint an auditor to investigate a matter that is necessary for the supervision of a credit institution and requires special expertise. The auditor appointed by the FFSA has extensive rights to receive information of the credit institution and to conduct investigations regarding the credit institution in accordance with the Finnish Act on the Financial Supervisory Authority. The auditor must have adequate

knowledge of the financial institution's operations, accounting and legal matters considering the quality and extent of the task. The auditor appointed by the FFSA must be independent of the credit institution.

Redemption of Shares and Acquisitions of Own Shares

Pursuant to the Finnish Companies Act, Nordea Finland may, as is currently the case for Nordea Sweden, repurchase its own shares. Repurchases of own shares may only be made using the company's unrestricted equity and may not, directly or indirectly, exceed 10 per cent of all shares in the company. Repurchases must be resolved on by the general meeting or by the board of directors under an authorisation from the general meeting. Such authorisation may not remain in effect longer than, in respect of Nordea Finland, 18 months or, in respect of Nordea Sweden, until the next AGM.

As of the date of this Prospectus, Nordea Sweden holds 13.7 million of its own shares and Nordea Finland does not hold any of its own shares. For the purpose of implementing a share-based incentive scheme, Nordea Finland intends to arrange a directed share issue to itself prior to the completion of the Merger. The number of treasury shares to be issued in the directed share issue would correspond to the number of treasury shares held by Nordea Sweden on the Completion Date.

Board of Directors

General

While the Finnish Companies Act recognises a two-tier non-executive board system (consisting of a supervisory board and a board of directors), Nordea Finland's non-executive board of directors will be a one-tier structure consisting of only a board of directors. This is currently the case in Nordea Sweden, where the non-executive board of directors constitutes the single tier permitted under the Swedish Companies Act. According to Nordea Finland's articles of association as they will be adopted at the time of the Merger, Nordea Finland's board of directors is to consist of at least 6 and not more than 15 members. The board of directors is elected annually at the general meeting for a term ending at the close of the next AGM. The Chairman and Vice Chairman are elected by the board of directors, unless the general meeting has decided otherwise when electing the board members.

This section contains certain information about the board of directors of Nordea Finland, including, where relevant, a comparison to the current situation in Nordea Sweden. Information on the composition, duties and responsibilities of the board of directors of Nordea Finland and Nordea Sweden is also set forth in "*Board of Directors, Management and Auditors*". Following the granting of a credit institution licence and the Merger, there will be no material differences in the composition, duties and responsibilities of the board of directors of Nordea Finland compared to the situation in Nordea Sweden immediately prior to the Completion Date.

Requirements on Competence and Other Assignments

In both Finland and Sweden, a person elected as a board member must be of sufficiently good repute and possess sufficient knowledge, skills and experience to perform his or her duties. In addition, the board member must be able to devote a sufficient amount of time to his or her duties. The CEO may not be elected Chairman of the board of directors. However, in Finland, although it would not be compliant with the recommendations for listed companies set forth in the Finnish Corporate Governance Code, the FFSA may grant permission for such election, which is not possible in Sweden. The members of the board of directors of Nordea Finland will be subject to a suitability assessment carried out by the ECB. The members of the board of directors of Nordea Sweden are also subject to the requirement of a suitability assessment, which has been completed by the SFSa in respect of all current board members.

As is the case for Nordea Sweden, the board of directors of Nordea Finland must have adequate and versatile knowledge and experience relative to its tasks on the business activities and related risks of the company. The assessment of the suitability must be made both on an individual basis but also on a collective basis in relation to the board of directors as a whole. The composition of Nordea Finland's board of directors must reflect the requirements set by Nordea Finland's operations and development stage. A member of the board of directors of Nordea Finland must have such knowledge and expertise on the business activities, central risks and management of Nordea Finland as is necessary with regard to the person's task and the nature, scope and complexity of the activities of the company.

According to the Finnish Corporate Governance Code, both genders are to be represented in the board of directors. Both Nordea Sweden and Nordea Finland must establish a policy on the diversity of the board of directors with regard to the selection of board members and any relevant targets set out in the policy. In Finland, the description of the diversity principles must, among other things, always include information on the target of representation for both genders and the measures taken to achieve and the fulfilments of the objectives.

In Sweden, members of the board of directors or the CEO may only hold a combination of either one position as managing director and two non-executive directorships, or four non-executive directorships. This is slightly different from Finland where full-time members of the board of directors and the CEO of a credit institution significant for the

financial system may serve on a maximum of two other boards of directors or, in the event that the board membership in such credit institution is not full time, on a maximum of in total four boards of directors. In both Finland and Sweden, positions within the same group or in undertakings in which the credit institution has a qualified holding are deemed a single position. This restriction does not apply to the CEO or to board members who are elected to the board of directors as a representative of the State. In addition, in Finland this restriction does not apply to representatives of the employees (as referred to in the Finnish Act on Personnel Representation in the Administration of Undertakings (Fi: *laki henkilöstön edustuksesta yritysten hallinnossa (725/1990)*). The FFSA may grant a board member and the CEO an exemption to hold one additional membership in addition to the above-mentioned maximum amounts, provided that it does not jeopardise the board member's or the CEO's ability to commit sufficient time to perform their responsibilities.

Independence Requirements

In accordance with the Swedish Corporate Governance Code, at most one member of the board of directors may be a senior executive of the Nordea Group. Further, in respect of both Nordea Finland and Nordea Sweden, the majority of the members of the board of directors must be independent of the company and at least two of such independent board members must also be independent of the significant shareholders of the company pursuant to the guidelines of the FFSA and the Finnish Corporate Governance Code. Nordea Finland intends to comply with the independence requirements stipulated in the guidelines of the FFSA and the Finnish Corporate Governance Code following the completion of the Merger.

Conflicts of Interest

Following the granting of the credit institution licence, Nordea Finland intends to comply with the requirements for conflicts of interest policies stipulated in the GL 11. Pursuant to the GL 11, the board of directors of Nordea Finland is responsible for establishing, approving and overseeing the implementation and maintenance of effective policies to identify, assess, manage and mitigate or prevent actual and potential conflicts of interest at the institutional level. Conflicts of interest may for example arise from the various activities and roles of Nordea Finland, from different institutions within the scope of prudential consolidation or from different business lines or units within Nordea Finland or in relation to external stakeholders. Measures to manage and mitigate conflicts of interest may include segregation of duties, for example by entrusting different persons with conflicting activities within the processing of transactions, the provision of services or supervisory and reporting responsibilities. Such measures may also include, among others, establishing information barriers, for example through the physical separation of certain business lines or units and establishing adequate procedures for transactions with related parties, for example requiring transactions to be conducted at arm's length.

Quorum and Majority Rules

The board of directors is quorate where more than one-half of the total number of board members or a higher number as prescribed in the articles of association is present. When determining whether the board is quorate, board members who have a conflict of interest are deemed to not be present.

Resolutions of the boards of directors are adopted by a simple majority of the members present, with the Chairman having a casting vote. In respect of Nordea Sweden, those members who vote in favour of a resolution must constitute more than one-third of the total number of board members (including employee representatives) for a valid resolution. In Finland, no corresponding quorum rule exists, but the board may not take a decision unless all members have been given the opportunity to, as far as possible, participate in the consideration of the matter as is also the case under Swedish law.

Nomination Process

Sweden has not implemented, unlike Finland, the rules on nomination committees as set out in the CRD as the board of directors does not have any competence in the process of selection and appointment of any of its members. In place of a nomination committee composed of board members, a nomination committee composed of shareholders together with the Chairman of the board of directors has been established by Nordea Sweden pursuant to the Swedish Corporate Governance Code.

Nordea Finland, if granted a credit institution licence, is likely to be considered as a credit institution significant to the financial system, as referred to in the Finnish Act on Credit Institutions. Therefore, Nordea Finland is required to have either a board nomination committee consisting of board members or a shareholders' nomination board appointed by the shareholders. The members of such committee or board may not participate in the daily management of Nordea Finland through an employment relationship.

The board of directors of Nordea Finland intends to propose that a shareholders' nomination board be established following the granting of the credit institution licence. Pursuant to Finnish law, the general meeting may establish such a shareholders' nomination board, which is to consist of the company's largest shareholders or persons appointed by the

largest shareholders to prepare matters in relation to the appointment and remuneration of the board of directors. The shareholders' nomination board may also include members of the board of directors.

The shareholders' nomination board may not assume other responsibilities beyond those assigned to it in the charter adopted by the general meeting. The shareholders' nomination board is to be established in an unambiguous and transparent process that treats all shareholders equally. The company must report at minimum the procedure and cut-off date for determining the company's largest shareholders who have the right to nominate members to the shareholders' nomination board as well as the procedure for appointing the members.

Employee Representation

As of the date of this Prospectus, there are three ordinary and one deputy employee representatives in the board of directors of Nordea Sweden. In respect of Nordea Finland, the employees of the Nordea Group will, following the completion of the Merger, have the right to participate in either the board of directors or a management group or similar body (provided that such bodies together cover the profit units of Nordea Finland). The final outcome of the employee representation in Nordea Finland will be determined in accordance with the Finnish Act on Personnel Representation in the Administration of Undertakings and the Finnish Act on Employee Involvement in European Companies and European Social Cooperatives (Fi: *Laki henkilöstöedustuksesta eurooppayhtiössä (SE) ja eurooppaosuuskunnassa (SCE) (758/2004)*) as well as the Swedish Act on Employee Participation in Cross-border Mergers (Sw: *lag (2008:9) om arbetstgares medverkan vid gränsöverskridande fusioner*)), which together set forth the rules regarding employee participation in cross-border mergers.

Committees of the Board of Directors

General

Similar to the board of directors of Nordea Sweden, the board of directors of Nordea Finland can form committees to perform certain specific tasks. In principle, committees do not have a formal legal status or independent decision-making powers, and their role is to provide support in the preparation of the board of director's decision-making. The responsibility for the decisions remains with the board of directors as a whole even if the matter has been delegated to a committee. Under the Finnish Corporate Governance Code, a committee must consist of at least three members, which is not a requirement in Sweden.

Following the granting of the credit institution licence, the composition, duties and responsibilities of the committees of the board of directors of Nordea Finland will be governed by, among others, the Finnish Corporate Governance Code, the Finnish Act on Credit Institutions, the guidelines and regulations of the FFSA and the GL 11.

For further information on the current committees of Nordea Sweden, see "*Board of Directors, Management and Auditors—Board Committees*". The composition of the board of directors of Nordea Sweden, and thus its committees, will be decided by the AGM of Nordea Sweden. The expectation is that the composition of the board of directors of Nordea Finland and its committees will reflect the composition of the board of directors of Nordea Sweden and its committees immediately prior to the Completion Date.

Board Audit Committee

As from the granting of the credit institution licence, Nordea Finland must have an audit committee that consists of board members and reports to the entire board of directors. The duties and responsibilities of the Board Audit Committee of Nordea Finland will correspond to those of Nordea Sweden. The Board Audit Committee assists the board of directors in fulfilling its oversight responsibilities by, among other things, monitoring the Nordea Group's financial reporting process as well as monitoring the effectiveness of the internal quality control, risk management systems and internal audit function in relation to the financial reporting process. The Board Audit Committee is also responsible for informing the board of directors of the outcome of the statutory audit and explaining how the statutory audit contributed to the reliability of financial reporting. In addition, the Board Audit Committee participates in reviewing and monitoring the impartiality and independence of the external auditors and, in conjunction therewith, pays special attention to whether the auditor provides Nordea Finland and the Nordea Group with services other than auditing services. However, pursuant to the Finnish Companies Act, it is the responsibility of the board of directors to review and monitor the impartiality and independence of the external auditors, whereas an audit committee is only entitled to prepare such a review.

Unlike in Nordea Sweden, pursuant to the guidelines of the FFSA, all members of the Board Audit Committee of Nordea Finland are required to be independent of the Nordea Group and its executive management. At least one member of the Board Audit Committee must have special expertise in accounting, bookkeeping or auditing.

Apart from the requirement that all members of the Board Audit Committee be independent of the Nordea Group (whereas Swedish legislation requires that no member be employed by the Nordea Group) and the requirement for the

committee to have at least three members, there are no material differences between the Finnish and Swedish corporate governance regimes concerning the Board Audit Committee following the granting of the credit institution licence.

Board Risk Committee

As from the granting of the credit institution licence, Nordea Finland must have a board risk committee that assists the board of directors in fulfilling its oversight responsibilities concerning the management and control of the risks, risk frameworks, controls and processes associated with the Nordea Group's operations, including credit, market, liquidity, business, life and operational risk. The Board Risk Committee will consist of the members of the board of directors of Nordea Finland and report to the entire board of directors of Nordea Finland. Pursuant to the Finnish Act on Credit Institutions, a member of the Board Risk Committee may not participate in the daily management of Nordea Finland through an employment relationship.

The duties of the Board Risk Committee include, among other things, reviewing the development of the Nordea Group's overall risk management and control framework as well as the Nordea Group's risk profile and key risk issues. In addition, the Board Risk Committee reviews and makes recommendations regarding the Nordea Group's risk appetite and limits for market and liquidity risks. Furthermore, the Board Risk Committee reviews resolutions made by lending entities concerning credits or limits above certain amounts, as well as strategic credit policy matters and the development of the credit portfolio. The Board Risk Committee also oversees the implementation of the strategies for capital and liquidity management as well as for all other relevant risks of an institution, such as market, credit, operational (including legal and IT risks) and reputational risks, in order to assess their adequacy against the approved risk appetite and strategy. There are no material differences between the Finnish and Swedish requirements for the Board Risk Committee.

Board Remuneration Committee

As required by applicable Swedish regulation, Nordea Sweden has established a Board Remuneration Committee, which is responsible for conducting an independent assessment of Nordea Sweden's remuneration policy and remuneration structure. The Board Remuneration Committee is further responsible for preparing board decisions regarding remuneration. The Board Remuneration Committee currently consists of two members. As required by SFSA regulations, the members of the Board Remuneration Committee are not members of Nordea Sweden's senior management. In addition, the members of the Board Remuneration Committee are deemed to have sufficient knowledge and experience in issues relating to risk management and remuneration. Similarly, as from the granting of the credit institution licence, Nordea Finland must have a Board Remuneration Committee consisting of board members who do not perform executive functions in the company. The Board Remuneration Committee is responsible for preparing and presenting proposals to the board of directors on remuneration issues. This duty includes proposals regarding Nordea Finland's remuneration policy and underlying instructions, as well as guidelines for remuneration for the executive officers to be decided by the AGM. The Board Remuneration Committee is also responsible for proposals regarding remuneration for the CEO and Group Chief Operating Officer and Deputy Group CEO, other members of Group Executive Management as well as the Group Chief Audit Executive, the Group Risk Officer and the Group Compliance Officer.

At least annually, the Board Remuneration Committee is to follow up on the application of Nordea Finland's remuneration policy and underlying instructions through an independent review by Nordea Finland's internal audit function, and assess Nordea Finland's remuneration policy and remuneration system with the participation of appropriate control functions. The Board Remuneration Committee also has the duty of annually monitoring, evaluating and reporting to the board of directors on the programmes for variable remuneration for the executive management, as well as the application of the guidelines for remuneration for executive officers. At the request of the board of directors, the Board Remuneration Committee also prepares other issues of principle for the consideration of the board of directors.

According to the Finnish Act on Credit Institutions, the composition and operation of the Board Remuneration Committee is to be constituted in such a way as to enable it to exercise independent judgment on remuneration policies' incentives and other effects for managing risk, capital and liquidity. The Board Remuneration Committee must take into account the long-term benefit to shareholders, investors and other interest groups of a credit institution as well as the public interest in the course of performance of its duties. Pursuant to GL 11, the guidelines of the FFSA and the Finnish Corporate Governance Code, the CEO or executive directors may not be appointed as members of the committee and, whereas it is possible in Sweden to appoint employee representatives to the Board Remuneration Committee, in Finland at least one employee representative must be appointed to the Board Remuneration Committee if the employees are represented in the board of directors. Pursuant to GL 11, the Chairman and the majority of the members of the Board Remuneration Committee must be independent of the company.

According to the Finnish Act on Credit Institutions, the Board Remuneration Committee must in the performance of its duties take into account the long-term benefit to shareholders, investors and other interest groups of a credit institution as well as the public interest. According to the regulations and guidelines of the FFSA, the remuneration should ensure that that compensation is consistent with the supervised entity's values and ethical principles, strategy, objectives and control environment.

There are no material differences between the Finnish and Swedish requirements for the Board Remuneration Committee. However, as noted and unlike in Sweden, an employee representative needs to be appointed to the Board Remuneration Committee (if the employees are represented in the board of directors) and the Board Remuneration Committee must have at least three members.

Board Operations and Compliance Committee

As of the date of this Prospectus, the intention of Nordea Finland is to voluntarily establish a Board Operations and Compliance Committee to reflect the current organisation of Nordea Sweden. Neither the Swedish nor the Finnish corporate governance regimes recognise a Board Operations and Compliance Committee, as no specific provisions exist regarding such a committee. However, forming such a board committee is permitted if deemed appropriate for the management and supervision of Nordea Finland.

The task of the Board Operations and Compliance Committee is to assist, without prejudice to the tasks of the other board committees, the board of directors in fulfilling its oversight responsibilities concerning conduct, sustainability, compliance and operations/systems, as well as related frameworks and processes. The duties of the Board Operations and Compliance Committee include advising the board of directors on the Nordea Group's overall strategy as to the mentioned areas, and assisting the board of directors in overseeing the implementation of that strategy by senior management.

There are no material differences arising from the Finnish requirements for the Board Operations and Compliance Committee of Nordea Finland, and the committee's composition, duties and responsibilities are intended to correspond to those of Nordea Sweden. However, like other committees of the board of directors and unlike Sweden, the Board Operations and Compliance Committee must have at least three members who all possess the appropriate knowledge, skills and expertise in issues relating to the work of the committee.

Director and Executive Remuneration

Fixed and Variable Remuneration to Members of the Board of Directors

In both Sweden and Finland, the general meeting resolves on the remuneration to the board of directors for each board member individually. The Chairman of the board of directors typically receives a higher compensation than ordinary board members, and board members who are also members of any committee of the board of directors typically receive extra remuneration for such work. In addition, if a deputy Chairman is elected, he or she also typically receives a higher compensation than ordinary board members. Unlike in Sweden, in Finland, a company cannot pay compensation for travel expenses unless such compensation is decided by the general meeting.

Pursuant to the SHRD II (to be implemented into national legislation by 10 June 2019), a company must prepare a remuneration policy for the board of directors and its executive management, which must be subject to voting at the general meeting. A company is only entitled to pay remuneration to its board of directors and executive management in accordance with the approved remuneration policy. However, a company may pay remuneration to its board of directors and executive management according to adopted practices if no remuneration policy has yet been approved by the general meeting and the proposed remuneration policy is not approved. A company must subject the remuneration policy to a vote at the general meeting whenever significant changes are made to the policy, and at least every four years.

According to the SHRD II, the remuneration policy must advance the company's business strategy as well as its long-term interests and sustainability. It must contain a description how these targets are to be advanced through the policy. Furthermore, the policy must be clear and understandable and it must describe the various fixed and variable elements of remuneration, as well as all applicable bonus schemes and other incentives regardless of their form, and explain their relative proportion of the remuneration. The remuneration policy must explain how the terms and conditions of employees' employment have been taken into account when approving the policy. If the company awards variable remuneration, the remuneration policy must contain detailed provisions for how the variable remuneration is to be calculated. The remuneration policy must also contain the term, applicable notice periods, additional pension arrangements as well as termination conditions and payments for management contracts. Finally, the remuneration policy must describe the process for approval of the policy, including principles for avoiding conflicts of interest as well as the role of applicable remuneration committees. The company must publish the remuneration policy for the duration of its validity.

Pursuant to the SHRD II, a company must prepare a report on remuneration annually, which must be subject to an advisory vote by the general meeting.

Nordea Finland will be required to comply with rules and regulations of the SHRD II upon implementation of the directive in Finnish legislation.

See “*Board of Directors, Management and Auditors—Remuneration of the Board of Directors and Group Executive Management*” for further information on the remuneration paid to the members of Nordea Sweden’s board of directors and Group Executive Management in 2015, 2016 and 2017.

Fixed and Variable Remuneration to the CEO and Senior Executives

For Nordea Finland, the remuneration to the CEO and other senior executives is resolved upon by the board of directors based on the proposal by the Board Remuneration Committee. This differs from Nordea Sweden, where the general meeting must approve general guidelines for incentive-based remuneration to the CEO and other senior executives before the company enters into specific agreements on such remuneration.

For both Nordea Sweden and Nordea Finland, remuneration must be based on predetermined and measurable performance and result criteria. The CEO and the executives of a bank are subject to specific remuneration provisions. For both Nordea Sweden and Nordea Finland, fixed and variable components of total remuneration must be appropriately balanced and the fixed component must represent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components, including the possibility to pay no variable remuneration component. For Nordea Sweden, the variable part of the remuneration may under no circumstances exceed 100 per cent of the fixed part. For Nordea Finland, the general meeting may, however, approve a larger variable compensation than 100 per cent of the fixed part of the remuneration, however not in excess of 200 per cent of the fixed part of the remuneration.

For both Nordea Sweden and Nordea Finland, where remuneration is performance related, the total amount of remuneration must be based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the company and when assessing individual performance, financial and non-financial criteria must be taken into account. The payment of performance-based components of remuneration must be divided over a period that is in line with the underlying business cycle and business risks of the company. The total amount of remuneration payable may not be so high as to limit the ability to strengthen the capital base.

Nordea Sweden may not grant guaranteed variable remuneration at any other time than in conjunction with the hiring of new staff and must limit such remuneration to the first year of employment. Similarly, Nordea Finland may only commit to the payment of guaranteed variable remuneration on particularly weighty reason and provided that the promised remuneration is limited to the first year of employment of the recipient.

For both Nordea Sweden and Nordea Finland, a substantial portion, and in any event at least 50 per cent, of any variable remuneration must consist of shares in Nordea Sweden or Nordea Finland, respectively, or, in respect of Nordea Sweden, other comparable financial instruments issued for trading by Nordea Sweden. In Finland, however, this requirement only applies if the variable remuneration of a recipient of remuneration exceeds EUR 50,000 over a period of one year. Further, the value of the financial instruments used must reflect the changes in equity capital or credit standing of Nordea Finland or an undertaking belonging to the Nordea Group.

In Nordea Finland, if the variable remuneration of a recipient exceeds EUR 50,000 over a period of one year, at least 40 per cent of the total variable remuneration component must be deferred over a period of at least three to five years from the expiry of the period during which the variable remuneration was earned. Similar deferral rules apply in Sweden, however only in relation to specially regulated staff whose variable remuneration over a period of one year totals at least SEK 100,000. In addition, Nordea Sweden must ensure that deferred variable remuneration components are only paid or passed to the employee to an extent justifiable by Nordea Sweden’s financial situation and the performance, the business unit in question and the employee. The deferred portion of the remuneration must also be able to be cancelled in full for the same reasons.

If Nordea Finland becomes aware of a violation of regulations or instructions binding on Nordea Finland or the principles or procedures determined by Nordea Finland, it may withhold payment of a variable remuneration or recover a variable remuneration pursuant to the EBA’s guidelines on sound remuneration policies under the Capital Requirements Directive. In Sweden, the SFS has decided not to apply the rules on clawbacks set out in these guidelines. Nordea Finland may decide not to pay a variable remuneration at all or in part subject to other conditions provided in the Finnish Act on Credit Institutions or in the remuneration policy of Nordea Finland.

See also “*—Issues of Shares—Share Issues to Directors and Employees*” above for a description of the rules applicable to share based incentive programmes and “*Board of Directors, Management and Auditors—Remuneration of the Board of Directors and Group Executive Management*” for further information on the remuneration of the members of Group Executive Management.

Director and Executive Liability

Liability against the Company and its Shareholders

Under both Finnish and Swedish law, the members of the board of directors and the CEO may be held liable for damages towards the company for a loss that he or she, in violation of the general duty of care prescribed in the Finnish Companies Act (in respect of Finland), has in office deliberately or negligently caused. Further, the members of the board of directors and the CEO may be liable for damages towards the company, a shareholder or a third party for loss that he or she, in violation of other provisions of the Finnish Companies Act (in respect of Finland) or the articles of association of the company, has in office deliberately or negligently caused. Under Finnish law, a violation of the Finnish Companies Act, excluding a violation of the general duty of care, and a breach of the articles of association is deemed to have been caused negligently, insofar as the person liable does not prove that he or she acted with due care. This presumption is also applicable to losses that have been caused by an act to the benefit of a related party, defined as a party having a controlling interest in the company or being able to exert substantial influence in the company's decision-making process.

In addition, the Finnish Act on Credit Institutions includes specific provisions on the board of directors' and the CEO's liability for damage caused through breaches of the EU and Finnish credit institution regulations. According to the Finnish Act on Credit Institutions, the founder of a credit institution, a member of its board of directors and the CEO are liable for any damages or loss they have caused to the credit institution in their duties either intentionally or negligently. Furthermore, the founder of a credit institution, a member of its board of directors and the CEO may be held liable for damages or loss caused to a shareholder or other person in their duties intentionally or negligently through a violation of applicable rules and regulations or the articles of associations of the credit institution.

In Sweden and Finland, the SFSA and the FFSA, respectively, have the right to intervene against Nordea Sweden and Nordea Finland in case of a violation of applicable laws and regulations. In addition, natural persons such as board members, the CEO or a person who is a replacement for a board member or the CEO, may be held personally liable in case of the company's breach of applicable laws and regulations.

In Sweden, the SFSA has a range of tools to facilitate its supervision and, as a general rule, enforcement actions must primarily be directed towards Nordea Sweden and not the natural person. However, an enforcement action may be directed solely towards a natural person. If the SFSA considers that Nordea Sweden's operations are unsound or that Nordea Sweden is in breach of applicable laws or regulations, its articles of association or internal policies adopted to comply with legal requirements, it can choose to impose on Nordea Sweden disciplinary reprimands, warnings, punitive fines (however only together with disciplinary reprimands and warnings), or revoke the operating licence of Nordea Sweden. The Swedish Credit Institutions and Securities Companies (Special Supervision) Act contains specific provisions regarding the possibility to intervene through decisions regarding specific own funds requirements and specific liquidity requirements. In addition, the Swedish Capital Buffers Act (Sw: *lag (2014:966) om kapitalbuffertar*) (the "**Swedish Capital Buffers Act**") contains provisions regarding intervention against Nordea Sweden in case of a failure to meet own funds requirements set forth in the act.

Under Swedish law, the SFSA may only intervene against natural persons in certain situations. For example, if Nordea Sweden has failed to fulfil the general requirements applying to its business with regard to own funds ratios and liquidity, risk management, transparency, sound business practices, variable remunerations, or internal regulations. In addition, intervention against a natural person may only take place where Nordea Sweden's breach is serious and the natural person caused the breach intentionally or through gross negligence. Intervention against a natural person may take place through either an order that the person in question may not serve as a member of the board of directors or managing director, or a replacement for any such person, for a specified time of not less than three years and not more than 10 years, or an order imposing a punitive fine. The punitive fine shall be set to an amount not exceeding the higher of (i) an amount in SEK that, on 17 July 2013, was equivalent to EUR 5 million; (ii) two times the profit that the natural person realised as a result of the regulatory breach, where the amount can be ascertained; or (iii) two times the costs that the natural person avoided as a result of the regulatory breach, where the amount can be ascertained.

According to the Finnish Act on the Financial Supervisory Authority, the FFSA may impose an administrative monetary penalty, in addition to or instead of the administrative monetary penalty imposed on a legal person, on a member of the management of the credit institution. An administrative monetary penalty may be imposed against a member of the management of Nordea Finland if such member has significantly contributed to an act or omission against certain predetermined provisions of the Finnish Act on Credit Institutions, the CRR or certain other applicable regulation, intentionally or through negligence. The maximum of the penalty for a natural person is 10 per cent of his or her income according to the latest confirmed tax assessment, however, at most EUR 100,000. However, breaches of certain provisions applicable to credit institutions carry a maximum monetary penalty of EUR 5 million. The FFSA may impose an administrative monetary penalty of up to EUR 1 million and administrative monetary penalties exceeding EUR 1 million may be imposed by the Finnish Market Court upon a proposal of the FFSA.

Under Finnish law, but not under Swedish law, the chairman of the general meeting may also be held liable for damages for a loss that he or she, in violation of the provisions of the Finnish Companies Act or the articles of association, has deliberately or negligently caused to the company, a shareholder or a third party. Further, in Finland, with respect to a limited liability company licensed as a credit institution, the FFSA has a right to take legal action for the account of the credit institution to enforce liability against a founding member, a member of the supervisory board, a member of the board of directors or the CEO or a shareholder of the credit institution, if this is considered to be necessary for the interest of depositors, even if the general meeting or a shareholder has not raised the claim in accordance with the Finnish Companies Act. The SFSA does not have a corresponding right under Swedish law.

Discharge from Liability

Pursuant to the Finnish Companies Act and the Swedish Companies Act, the AGM decides on discharge of liability for the members of the board of directors and the CEO. A resolution regarding discharge of liability is principally binding and may not be amended or limited after such a resolution has been made. However, a resolution regarding discharge of liability is not binding if the general meeting has not been given essentially correct and adequate information about the decision or measure underlying the liability for damages.

If the general meeting resolves to not discharge one or more of the members of the board of directors and/or the CEO from liability, a claim for damages may be raised by the company within one year, in respect of Sweden, or five years, in respect of Finland, from the end of the financial period during which the decision or matter underlying the claim occurred.

In Finland, one or more shareholders have the right to bring an action in their own name on behalf of the company if it is probable at the time of filing of the action that the company will not itself make a claim for damages and (i) the shareholder(s) hold(s) at least 10 per cent of all outstanding shares in the company or (ii) it is proven that the non-enforcement of the claim for damages would be contrary to the principle of equal treatment of shareholders. In Sweden, a shareholder or shareholders holding at least 10 per cent of all outstanding shares in the company have the right to bring an action in their own name on behalf of the company.

In Finland, shareholders have the right to bring such action against members of the board of directors and/or the CEO even in the event that the members of the board of directors and the CEO have been discharged from liability. However, in this case, action must be brought within three months of the general meeting at which the members of the board of directors and the CEO were discharged from liability. Should the general meeting have decided on filing an application for a special audit as described under “—*Certain Other Rules on Shareholder Minority Protection*” above, the statute of limitations is calculated from the time when the report of the special audit has been presented to the general meeting, or if the application for the special audit has been rejected, from the time of rejection.

The CEO

Under both Finnish and Swedish law, the CEO is in charge of the day-to-day management of the company in accordance with the instructions and orders issued by the board of directors. The board of directors appoints and discharges the CEO, decides on the financial benefits and other terms of the service (in Sweden pursuant to the guidelines approved by the general meeting) and supervises the operations of the CEO. The CEO may only undertake measures that are unusual or extensive, considering the scope and nature of the operations of the company, with the authorisation of the board of directors or if waiting for such authorisation would cause the company significant inconvenience. The CEO is responsible for ensuring that the company’s accounting practices are in compliance with the law and that the financial matters are organised in a reliable manner.

Under Finnish law, only one deputy CEO may be registered with the Finnish Trade Register while in Sweden no such limit exists. Other than this, and the existence in Sweden of guidelines for remuneration for the executive officers, there are no material differences between the Finnish and Swedish corporate governance regimes concerning the CEO or the executive management following the Merger.

For information on the circumstances under which the CEO can be held liable for damages towards the company or the shareholders, see “—*Director and Executive Liability*” above. For further information about the CEO as well as Group Executive Management, see also “*Board of Directors, Management and Auditors—Group Executive Management*”.

CERTAIN SECURITIES MARKETS ISSUES

The following summary contains a general description of certain securities markets issues that will be relevant for Nordea Finland following the Merger as well as a comparison of certain material differences due to the Merger. The summary is not exhaustive and is based on the laws in effect as of the date of this Prospectus.

Trading of the Shares in Nordea

General

The shares in Nordea Sweden are currently traded on Nasdaq Stockholm and Nasdaq Copenhagen and the Nordea Sweden FDRs are traded on Nasdaq Helsinki. In connection with the completion of the Merger, the trading in the shares in Nordea Sweden on Nasdaq Stockholm and Nasdaq Copenhagen as well as the trading in the Nordea Sweden FDRs on Nasdaq Helsinki will cease. Following the completion of the Merger, the shares in Nordea Finland will be traded on Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen. Nordea Finland will consequently be required to apply the rules of Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen, as Nordea Sweden does as of the date of this Prospectus.

Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen are part of the Nasdaq group. Nasdaq Nordic consists of four local stock exchanges, which are located in Copenhagen, Helsinki, Reykjavik and Stockholm. The four exchanges are separate legal entities in different jurisdictions; therefore, each exchange has its own rules and regulations. The companies listed on these four exchanges are presented on one common list, the Nordic List, with harmonised listing requirements. Companies are presented in segments based on market value and in sectors according to industry affiliation.

Nasdaq Helsinki

Nasdaq Helsinki is a regulated market licensed in Finland and is the principal market on which shares, bonds, derivatives and other securities are traded in Finland. The currency for trading in, and clearing of, the shares in Nordea Finland on Nasdaq Helsinki will be euro, with the tick size for trading quotations depending on the share price and average daily transaction volume. All price information on Nasdaq Helsinki is produced and published only in euro.

Trading on Nasdaq Helsinki is conducted on behalf of customers by duly authorised securities intermediaries, such as banks and investment service companies. Settlement of trades take place through an electronic account based system administered by Euroclear Finland on the second banking day after the trade date (T+2) unless otherwise agreed by the parties. For additional information on Euroclear Finland, see “—*Securities Registration—Finland*” below. Nasdaq Helsinki uses the trading platform INET. A two-day settlement schedule currently applies to trading in shares.

Nasdaq Stockholm

Nasdaq Stockholm is a regulated market licensed in Sweden and is the principal market on which shares, bonds, derivatives and other securities are traded in Sweden. The currency for trading in, and clearing of, the shares in Nordea Finland on Nasdaq Stockholm will be Swedish krona, with the tick size for trading quotations depending on the share price and average daily transaction volume. All price information on Nasdaq Stockholm is produced and published only in Swedish krona.

Trading on Nasdaq Stockholm is conducted on behalf of customers by duly authorised Swedish and foreign banks and other securities brokers, as well as the Swedish Central Bank. Settlement of trades take place through an electronic account based system administered by Euroclear Sweden on the second banking day after the trade date (T+2) unless otherwise agreed by the parties. For additional information on Euroclear Sweden, see “—*Securities Registration—Sweden*” below. Nasdaq Stockholm uses the trading platform INET. A two-day settlement schedule currently applies to trading in shares.

Nasdaq Copenhagen

Nasdaq Copenhagen is a regulated market licensed in Denmark and is the principal market on which shares, bonds, derivatives and other securities are traded in Denmark. Nasdaq Copenhagen is a company incorporated and organised under the laws of Denmark. The currency for trading in, and clearing of, the shares in Nordea Finland on Nasdaq Copenhagen will be Danish krone, with the tick size for trading quotations depending on the share price and average daily transaction volume.

Trading on Nasdaq Copenhagen is conducted by authorised firms, which include major Danish banks and other securities brokers, as well as certain mortgage credit institutions and the Danish Central Bank (Dk: *Danmarks Nationalbank*). Settlement in connection with trading on Nasdaq Copenhagen normally takes place on the second business day after effecting a sale or purchase transaction. On behalf of VP Securities, the account-holding bank sends a statement to the name and address recorded in VP Securities, showing the amount of shares held in that name, which provides the holder

with evidence of its rights. Settlement can also take place through the clearing facilities of Euroclear and Clearstream. See also “—*Securities Registration—Denmark*” below.

Securities Market Regulations

The securities market in Finland is supervised by the FFSA. Following the completion of the Merger, the securities market regulations in Finland will apply to Nordea Finland, which will have Finland as its “home member state” under applicable EU regulations. The principal statute governing the Finnish securities market is the Finnish Securities Markets Act, which contains regulations with respect to company and shareholder disclosure obligations, prospectuses and public tender offers, among other things.

The Market Abuse Regulation (596/2014/EU, the “**MAR**”) aims to harmonise market abuse rules within the EU by providing uniform rules on the prohibition of insider dealing, unlawful disclosure of inside information and market manipulation. The MAR also contains rules on, among other things, procedures relating to disclosure of inside information, maintenance of insider lists and disclosure of managers’ transactions. The MAR is applicable in all EU member states and, consequently, it applies to both Nordea Sweden and Nordea Finland.

The FFSA and Nasdaq Helsinki have also issued more detailed regulations on the securities markets pursuant to the Finnish Securities Markets Act.

The Finnish Securities Markets Act specifies minimum disclosure requirements for Finnish companies applying for listing on Nasdaq Helsinki or making a public offering of securities in Finland. The information provided must be sufficient to enable a potential investor to make a sound evaluation of the securities being offered and the issuing company as well as of matters that may have a material effect on the value of the securities. This corresponds to the requirements currently applicable to Nordea Sweden.

Finnish and Swedish listed companies have a continuing obligation to publish financial information on the company and, according to the MAR, to disclose any matters likely to have a significant effect on the value of their financial instruments.

Corresponding to the regime applicable to shareholders holding net short positions in shares in Nordea Sweden as of the date of this Prospectus, net short positions in shares in Nordea Finland must be disclosed to the FFSA in accordance with Regulation (EU) No 236/2012 of the European Parliament and of the Council on short selling and certain aspects of credit default swaps. The obligation to disclose net short positions applies to all investors and market participants. A net short position regarding shares admitted to trading on a regulated market must be disclosed when the position reaches, exceeds or falls below 0.2 per cent of the issued share capital of the target company. A new notification must be disclosed for each 0.1 per cent exceeding the above threshold. The FFSA publishes the notified net short positions on its website, if the net short position reaches, exceeds or falls below 0.5 per cent of the issued share capital of the target company. Further, an investor who wishes to take an uncovered, or “naked”, short position in a particular share will be required: (a) to have borrowed sufficient shares to settle the short trade; (b) to have entered into a binding agreement to borrow the shares; or (c) to have an arrangement with a third party under which that third party has confirmed that the shares have been located and has taken measures vis-à-vis third parties necessary to have a reasonable expectation that settlement can be effected when it is due. Certain exemptions apply to the prohibition, such as in the case of market-makers or in connection with stabilisation in accordance with Commission Delegated Regulation (EU) 2016/1052.

The Finnish Penal Code (Fi: *rikoslaki (39/1889)*) (the “**Finnish Penal Code**”) and the Swedish Market Abuse Act (Sw: *lag (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden*) (the “**Swedish Market Abuse Act**”) criminalise the breach of disclosure requirements, insider dealing, unlawful disclosure of inside information and market manipulation. The FFSA and the SFSA have the right to impose administrative sanctions to the extent the offence does not constitute a criminal offence under the Finnish Penal Code or the Swedish Market Abuse Act, respectively. The FFSA and the SFSA can, for example, issue a public warning or impose administrative fines or monetary penalties for the breach of disclosure requirements or public tender offer, insider register or market abuse provisions.

Further, the disciplinary boards of Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen may issue a warning or note or impose a disciplinary fine or order the company to be removed from the stock exchange list.

Securities Registration

Finland

The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains a central book-entry register for both equity and debt securities. The use of the book-entry securities system is mandatory for companies whose shares are listed on Nasdaq Helsinki.

In order to hold entries in the book-entry securities system, a security holder must open a book-entry account with an account operator. The account operators are credit institutions, investment firms and other institutions licensed to act as account operators by Euroclear Finland that are entitled to make entries in the book-entry register and administer the book-entry accounts.

Each book-entry account is required to contain specific information with respect to the account holder and other holders of rights to the book-entries entered into the account as well as information on the account operator administering the book-entry account. The required information also includes the type and number of book-entries registered as well as the rights and restrictions pertaining to the account and to the book-entries registered in the account. A custodial nominee account is identified as such on the entry.

A non-Finnish shareholder may appoint an account operator (or certain other Finnish or non-Finnish organisations approved by Euroclear Finland) to act on its behalf. A custodial nominee account holder is entitled to receive dividends on behalf of the shareholder. A beneficial owner wishing to attend and vote at general meetings must seek a temporary registration to the shareholders' register and the shares must be registered in the share register no later than eight business days prior to the relevant general meeting. Upon request by the FFSA or the relevant company, the nominee acting on behalf of a shareholder is required to disclose the name of the beneficial owner of any shares registered in such nominee's name, provided the beneficial owner is known, as well as the number of shares owned by such beneficial owner. If the name of the beneficial owner is not known, the nominee is required to disclose corresponding information on the representative acting on behalf of the beneficial owner and to submit a written declaration of the representative to the effect that the beneficial owner of the shares is not a Finnish natural person or legal entity. A shareholder wishing to hold his or her shares in the book-entry securities system in his or her own name but who does not maintain a book-entry account in Finland is required to open a book-entry account with an account operator and a bank account denominated in euros.

Sweden

The Swedish book-entry securities system is centralised at Euroclear Sweden, a central securities depository and clearing organisation authorised under the Swedish Financial Instruments Accounts Act (Sw: *lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) and the Swedish Securities Markets Act (Sw: *lagen (2007:528) om värdepappersmarknaden*) (the "**Swedish Securities Markets Act**").

Shares administered by Euroclear Sweden are registered in book-entry form on securities accounts (VP accounts) and no share certificates are issued. Title to shares is ensured exclusively through registration with Euroclear Sweden. All transactions and other changes to accounts are entered in the system of Euroclear Sweden through banks or other securities institutions that have been approved as account operators by Euroclear Sweden. The register maintained by Euroclear Sweden also contains information on other interests in respect of shares, such as those of a pledge. Shares may be registered on VP accounts, and consequently entered in the shareholders' register, either in the name of the beneficial owner (owner registered shares) or in the name of a nominee authorised by Euroclear Sweden (nominee registered shares), in which case a note thereof is made in the securities system. In respect of nominee-registered shares, the nominee account holder is entitled to receive dividends on behalf of the shareholder. A beneficial owner wishing to attend and vote at general meetings must seek a temporary direct owner registration in the shareholders' register and the shares must be registered in the share register five business days prior to the relevant general meeting. Euroclear Sweden and each company affiliated with Euroclear Sweden must, upon request, disclose the identity, address and number of shares held by any beneficial owner who holds more than 500 nominee-registered shares in such company.

Denmark

The shares in Nordea Finland will be registered in book-entry form on accounts maintained in the computer system of VP Securities, which acts as the central securities depository (CSD) for electronic central record of ownership and clearing centre for transactions in Denmark. VP Securities is regulated pursuant to the European Central Depository Regulation No 909/2014 ("**CSDR**") and the Danish Capital Markets Act (Dk: *Lovbekendtgørelse nr. 12 af 8. Januar 2018 om kapitalmarkeder*). VP Securities was granted a CSDR authorisation with effect from 3 January 2018, as of which VP Securities and its customers became subject to the CSDR. Danish financial institutions, such as banks, are authorised to keep accounts for each specific investor with VP Securities. All shares listed on Nasdaq Copenhagen and registered at VP Securities are dematerialised and "non-certificated". The account is maintained through an account-holding bank. The account-holding bank has the exclusive right to make transactions and registrations on these accounts on behalf of its customers. Shares must be registered in the name of the holder through the account-holding bank.

An account may be kept on behalf of one or more owners, meaning that a shareholder may appoint a nominee. A nominee shareholder is entitled to receive dividends and to exercise all subscription and other financial and administrative rights attached to the shares held in its name with VP Securities. The relationship between the nominee shareholder and the beneficial owner is regulated solely by an agreement between the parties, and the beneficial owner must disclose its identity if any of the aforementioned rights are to be exercised directly by the beneficial owner.

Ownership Disclosure Requirements

Finland is the home member state of Nordea Finland and, pursuant to the Finnish Securities Markets Act that implements the Transparency Directive (Directive 2004/109/EC) in part, a shareholder of Nordea Finland will be required, without undue delay, to notify Nordea Finland and the FFSA when its voting interest in, or its percentage ownership of, the total number of shares in Nordea Finland reaches, exceeds or falls below 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 30 per cent, 50 per cent, 66 $\frac{2}{3}$ per cent or 90 per cent, calculated in accordance with the Finnish Securities Markets Act, or when it has on the basis of a financial instrument the right to receive an amount of shares that reaches, exceeds or falls below any such threshold. If Nordea Finland receives information indicating that a voting interest or ownership interest has reached, exceeded or fallen below any of these thresholds, it must disclose such information without undue delay and deliver it to the main media either directly or through an established news provider, and to Nasdaq Helsinki. If a shareholder has violated its obligation to give notice of a voting interest or ownership, the FFSA may, if there are special reasons for it, prohibit the shareholder from using its right to vote at the general meeting for the shares to which the violation relates. The ownership disclosure requirements under Finnish law correspond in all material respect to those applicable to shareholders of Nordea Sweden prior to the Merger.

Mandatory Bids and Mandatory Redemptions of Shareholdings of Minority Shareholders

Since Finland is the home member state of Nordea Finland, pursuant to the Finnish Securities Markets Act, a shareholder whose holding of shares in Nordea Finland, following the completion of the Merger and the Listing, exceeds 30 per cent of the total voting rights in Nordea Finland, calculated in accordance with the Finnish Securities Markets Act, must make a public tender offer to purchase the remaining shares and other securities entitling holders to shares in such company for fair value. The same applies if a shareholder of Nordea Finland exceeds 50 per cent of the total voting rights of Nordea Finland, which differs from Sweden where no threshold beyond the 30 per cent threshold exists.

The obligation to make a tender offer is not triggered if the securities that caused the above-mentioned limits to be reached have been purchased pursuant to a public tender offer that has been made for all shares in the target company and other securities entitling holders to shares in such company or have been otherwise acquired during the tender offer period of such public tender offer. If a company has two or more shareholders whose holdings of voting rights exceed the above-mentioned limit, only the shareholder with the most voting rights is required to make a tender offer. If a shareholder exceeds the above-mentioned limit due solely to acts of the company or another shareholder, such shareholder is not required to make a tender offer before purchasing or subscribing for more shares in the target company or otherwise increasing its holding of voting rights in the target company. If the above-mentioned limit is exceeded due to the shareholders acting in concert when making a voluntary tender offer, the obligation to make a tender offer is not triggered if the concerted action is limited only to such tender offer. There is no obligation to make a tender offer if a shareholder or another party who is acting in concert with such shareholder gives up its voting rights in excess of the above-mentioned limit within one month after such limit was exceeded provided that the shareholder publishes its intention and that the voting rights are not exercised during such time.

The FFSA may, for a special reason and on application, waive the requirement to launch a mandatory bid. The consideration for granting an exemption is based on an overall assessment including the impact of the exemption on the effective position of minority shareholders. Whether the minority shareholders of the offeree company have been aware of the arrangement in advance and have been able to influence its content are also taken into account when considering an exemption. Particular reasons for granting an exemption from the obligation to launch a bid could include at least one of the following: (i) the proportion of voting rights exceeding the threshold for an obligation to launch a bid is not effectively transferred, for example, when transferring holdings to an entity or foundation within the same sphere of control; (ii) the proportion of voting rights exceeding the threshold for an obligation to launch a bid is transferred through an inheritance; (iii) the proportion of voting rights exceeding the threshold for an obligation to launch a bid is exceeded on the basis of a share issue based on preferential rights of the shareholders, where the other shareholders have not used their preferential subscription right in full; (iv) the proportion of voting rights exceeding the threshold for an obligation to launch a bid is exceeded in a corporate transaction where the consideration comprises shares in the offeree company; (v) the proportion of voting rights exceeding the threshold for an obligation to launch a bid is exceeded due to an underwriting commitment related to a share issue; or (vi) the proportion of voting rights exceeding the threshold for an obligation to launch a bid is exceeded by an arrangement whose purpose is to secure the continuity of an offeree company in financial difficulty.

A particular reason for an exemption from the obligation to launch a bid may also be that the mandatory bid threshold is exceeded in a situation where mutually independent shareholders begin to act in concert in order to exercise control in the offeree company. In this situation, the FFSA pays special attention, in its consideration, to granting an exemption on the mutual independence of the shareholders acting in concert and to whether the shareholders acting in concert had increased their proportion of voting rights before they began to act in concert.

Under the Finnish Securities Markets Act, a Finnish listed company must comply with the Helsinki Takeover Code, which relates to the actions of the management of the target company in a public takeover, or provide an explanation for its non-compliance.

For information on mandatory redemptions of the shareholdings of minority shareholders, see “*Summary of Finnish Company Law and Corporate Governance—Certain Other Rules on Shareholder Minority Protection—Mandatory Redemptions (Buy-outs) of Shareholdings of Minority Shareholders*”.

SHARES AND SHARE CAPITAL

Nordea Finland

General

As of the date of this Prospectus, Nordea Finland's articles of association do not contain any provisions as to Nordea Finland's share capital or the number of shares, as including such provisions is not mandatory under Finnish law. Following the contemplated receipt by Nordea Finland from the ECB of a licence to act as a credit institution and for providing investment services, Nordea Finland will, for legal reasons, have to adopt new articles of association reflecting its legal form as a bank, the provision of investment services and engagement in investment activities. However, other than what is required by law, no material change is expected in Nordea Finland's articles of association. Nordea Finland's articles of association do not contain any provisions on share classes or voting rights and consequently shares may only be issued as ordinary shares and each share confers one vote at general meetings. The shares in Nordea Finland are denominated in euro and have no nominal value.

As of the date of this Prospectus, Nordea Finland's share capital is EUR 5,000,000, consisting of one ordinary share. Upon the completion of the Merger, Nordea Finland's share capital will be increased to EUR 4,049,951,919 and the number of shares will be increased to correspond to the Merger Consideration. Pursuant to Chapter 23, Section 26 of the Swedish Companies Act and Chapter 16, Section 16 of the Finnish Companies Act, no shares in Nordea Sweden held by Nordea Sweden in treasury or shares in Nordea Sweden held by Nordea Finland will be entitled to receive any Merger Consideration. Nordea Finland intends to arrange a directed share issue to itself prior to the completion of the Merger for the purpose of implementing a share-based incentive scheme. As of 31 December 2017, the number of shares of Nordea Sweden related to these LTIPs was 10,204,530. The number of treasury shares to be issued in the directed share issue would correspond to the number of treasury shares held by Nordea Sweden on the Completion Date.

Upon the completion of the Merger, the shares in Nordea Finland will be registered in the Finnish book-entry securities system maintained by Euroclear Finland. Euroclear Finland will also maintain Nordea Finland's shareholder register. No share certificates have been issued with respect to the share in Nordea Finland nor will any share certificates be issued following the completion of the Merger. The shares in Nordea Finland are issued under Finnish law.

Changes in Share Capital

There have not been any changes in the share capital of Nordea Finland during the period covered by the historical financial information.

Warrants or Convertible Debentures

Nordea Finland has no outstanding convertible securities, exchangeable securities, securities with warrants, other securities or special rights that give holders rights to new shares in Nordea Finland.

Authorisations

There are no authorisations in force for the board of directors of Nordea Finland as of the date of this Prospectus.

For the purpose of maintaining the board of directors' ability to decide on issues of convertible instruments following the completion of the Merger, Nordea Sweden intends to resolve, subject to the corresponding proposal being approved by the AGM of Nordea Sweden, at an EGM of Nordea Finland to be held prior to the Completion Date, on a corresponding authorisation as proposed to the AGM of Nordea Sweden (see "*—Nordea Sweden—Authorisations and Approvals*" below). Accordingly, the intention is to authorise the board of directors of Nordea Finland to, for the period until the next AGM, on one or several occasions, decide on an issue of convertible instruments. The amount that the share capital may be increased with full exercise of the convertible instruments must not exceed 10 per cent of Nordea Finland's share capital. The issue of such convertible instruments may take place with or without preferential rights for existing shareholders and will be done based on market conditions. The purpose of the authorisation is to facilitate a flexible and efficient adjustment of Nordea Finland's applicable capital structure to the applicable capital requirements.

Acquisition and Transfer of Shares

Supervisory Approval for Certain Acquisitions

There are no restrictions under Finnish law or in Nordea Finland's articles of association regarding the right to transfer shares in Nordea Finland, and Nordea Finland is not aware of any agreements between shareholders in this respect. However, since Nordea Finland will, following receipt of the credit institution licence granted by the ECB, be a credit institution, a direct or indirect acquisition of shares in Nordea Finland that causes the acquirer's total holding to comprise a qualified holding (10 per cent or more of the equity capital or of the votes, or a holding that otherwise enables the acquirer to exercise a substantial influence over the management of Nordea Finland) may only take place following

approval by the FFSA according to the Finnish Act on Credit Institutions. An FFSA approval is also required if the holding amounts to or exceeds 20 per cent, 30 per cent or 50 per cent of the equity capital or of the votes. If the FFSA grants the required approval, the shareholder will have continuous obligations in respect of its holdings in Nordea Finland, such as a requirement to notify the FFSA of any changes in its holdings in shares in Nordea Finland, causing a holding either to cease being qualified or to fall below any of these holding levels, and changes in its management. In addition, the FFSA has the authority to require the shareholder to sell all or part of such holdings. Under the SSM, the ECB is the authority that ultimately decides on (in cooperation with the FFSA) whether to approve an acquisition of a qualifying holding in a significant credit institution that is subject to the direct supervision of the ECB.

Central Securities and Settlement Organisation Affiliation

The Finnish book-entry securities system is centralised at Euroclear Finland, which offers national clearing, settlement and registration services for securities. Euroclear Finland maintains a central book-entry register for both equity and debt securities. Euroclear Finland also maintains Nordea Finland's shareholders register. No share certificates have been or will be issued with respect to the shares in Nordea Finland. The business address of Euroclear Finland is Urho Kekkosen katu 5C, FI-00100 Helsinki, Finland. The use of the book-entry securities system is mandatory for companies whose shares are listed on Nasdaq Helsinki.

Listing and Trading of the Shares in Nordea Finland

Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen have, subject to certain conditions, approved the shares in Nordea Finland for listing on their official lists as from the Completion Date. Trading in the shares in Nordea Finland on the official lists of Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen is expected to commence on or about 1 October 2018. See also "*Merger of Nordea Sweden into Nordea Finland—Merger Consideration—Listing of the Merger Consideration Shares*".

Nordea Sweden

General

According to Nordea Sweden's articles of association, the share capital of Nordea Sweden shall not be less than EUR 2,700,000,000 and not more than EUR 10,800,000,000. Shares may be issued in two classes, ordinary shares and C-shares. As of the date of this Prospectus, all existing shares in Nordea Sweden are ordinary shares. All shares in Nordea Sweden carry voting rights. In voting at general meetings, each ordinary share confers one vote and each C-share, one tenth of one vote. At general meetings, each shareholder is entitled to vote for the full number of shares that he or she owns or represents. Nordea Sweden is not entitled to vote for any shares that it holds in treasury. C-shares do not entitle holders to any dividend. The articles of association of Nordea Sweden set forth reciprocal rights and obligations between each owner and each share class in the case of any issuance of new shares, warrants or convertible instruments in Nordea Sweden. In the event that Nordea Sweden were to issue new shares, all shareholders would typically have preferential rights to the new shares in relation to the number of shares held by them.

As of the date of this Prospectus, Nordea Sweden's share capital is EUR 4,049,951,919, consisting of 4,049,951,919 ordinary shares with a quota value (Sw: *kvotvärde*) of EUR 1.00. As of the date of this Prospectus, no C-shares are issued.

The shares in Nordea Sweden have been issued pursuant to Swedish law and are denominated in euro. All shares in Nordea Sweden are issued in the form of fully paid shares and are freely transferrable.

In Sweden, the shares in Nordea Sweden are cleared and settled through an electronic securities system, the VPC system, with Euroclear Sweden as its central securities and settlement organisation. The shares in Nordea Sweden are registered in the Swedish book-entry securities system maintained by Euroclear Sweden. Euroclear Sweden also maintains Nordea Sweden's shareholder register. No share certificates have been issued with respect to the shares in Nordea Sweden. The address for Euroclear Sweden is Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE-101 223, Stockholm, Sweden.

The Nordea Sweden FDR is a specific book-entry entitlement issued in the Finnish book-entry system maintained by Euroclear Finland. The Nordea Sweden FDRs are dematerialised depository interests representing entitlements to the underlying shares in Nordea Sweden. The underlying shares are registered in the Swedish book-entry system maintained by Euroclear Sweden in custody for the account of the Nordea Sweden FDR holders. No physical certificates are, or will be issued for the Nordea Sweden FDRs. The shares in Nordea Sweden traded through Nordea Sweden FDRs on Nasdaq Helsinki are part of the total amount of issued shares in Nordea Sweden and the Nordea Sweden FDRs traded on Nasdaq Helsinki are equal to a deposit controlled by Nordea Sweden at Euroclear Sweden, Nordea Sweden's central securities and settlement organisation. In connection with the completion of the Merger, the Nordea Sweden FDRs will be directly converted into shares in Nordea Finland and the Nordea Sweden FDR programme will cease. The Nordea Sweden FDRs will be automatically cancelled when the shares in Nordea Finland are registered in the Finnish book-entry system

maintained by Euroclear Finland. See also “*Merger of Nordea Sweden into Nordea Finland—Merger Consideration—Distribution and Delivery of the Merger Consideration*”.

Nordea Sweden has a secondary listing of its shares on Nasdaq Copenhagen traded under the symbol “NDADKK”. The secondary listing has been obtained in accordance with the rules on secondary listings (Dk: *Sekundær optagelse til handel*) issued by Nasdaq Copenhagen. The shares in Nordea Sweden traded on Nasdaq Copenhagen are cleared through an electronic securities system with VP Securities in Denmark. No share certificates have been issued with respect to the shares in Nordea Sweden traded on Nasdaq Copenhagen. The shares in Nordea Sweden that are traded on Nasdaq Copenhagen are delivered in book-entry form through allocation to accounts with VP Securities. The shares in Nordea Sweden that are traded on Nasdaq Copenhagen are part of the total amount of issued shares in Nordea Sweden and the shares traded on Nasdaq Copenhagen are equal to a deposit controlled by Nordea Sweden at Euroclear Sweden, Nordea Sweden’s central securities and settlement organisation.

Changes in Share Capital

There have not been any changes in the share capital of Nordea Sweden during the period covered by the historical financial information.

Warrants and Convertible Debentures

Nordea Sweden has no outstanding convertible securities, exchangeable securities or securities with warrants or other securities that give holders rights to new shares or other special rights.

Authorisations and Approvals

The 2017 AGM of Nordea Sweden authorised the board of directors of Nordea Sweden, for the period until the next AGM, on one or several occasions, to decide on issue of convertible instruments. The amount that the share capital may be increased with full exercise of the convertible instruments must not exceed 10 per cent of Nordea Sweden’s share capital. The issue of such convertible instruments may take place with or without preferential rights for existing shareholders and will be done based on market conditions. The purpose of the authorisation is to facilitate a flexible and efficient adjustment of Nordea Sweden’s capital structure to the capital requirements. The board of directors of Nordea Sweden has proposed that the AGM of Nordea Sweden scheduled to be held on 15 March 2018 passes a corresponding resolution for an authorisation that is valid for the period until the next AGM of Nordea Sweden. If the authorisation is approved by the AGM, Nordea Sweden intends to resolve on a corresponding authorisation for Nordea Finland (see “—*Nordea Finland—Authorisations*” above).

The 2017 AGM of Nordea Sweden resolved that Nordea Sweden, in order to facilitate its securities business, may purchase its own ordinary shares according to Chapter 7, Section 6 of the Swedish Securities Market Act for the period until the next AGM. The purchase by Nordea Sweden of its own shares is subject to the limitation that Nordea Sweden’s holding of its shares in its trading book must never exceed the lower of 0.1 per cent of the total number of shares in Nordea Sweden or 10 per cent of Nordea Sweden’s excess common equity tier 1 (CET1) capital. The price for the ordinary shares must equal the market price prevailing at the time of the acquisition. The board of directors of Nordea Sweden has proposed that the AGM of Nordea Sweden scheduled to be held on 15 March 2018 passes a corresponding resolution to be valid for the period until the next AGM of Nordea Sweden.

Acquisition and Transfer of Shares

Supervisory Approval for Certain Acquisitions

There are no restrictions under Swedish law or in Nordea Sweden’s articles of association regarding the right to transfer shares in Nordea Sweden, and Nordea Sweden is not aware of any agreements between shareholders in this respect. However, since Nordea Sweden is a credit institution, a direct or indirect acquisition of shares in Nordea Sweden, which causes the acquirer’s total holding to comprise a qualified holding (represents 10 per cent or more of the equity capital or of the votes, or a holding that otherwise enables the acquirer to exercise a substantial influence over the management of Nordea Sweden) may only take place following consent by the SFSA according to the Swedish Banking and Financing Business Act. An approval from the SFSA is also required if the holding amounts to or exceeds 20 per cent, 30 per cent or 50 per cent of the equity capital or of the votes or such that it causes Nordea Sweden to become a subsidiary pursuant to Swedish law. If the SFSA grants the required approval, the shareholder will have continuous obligations in respect of its holdings in Nordea Sweden, such as a requirement to notify the SFSA of any changes in its holdings in shares in Nordea Sweden, causing a holding either to cease being qualified or to fall below any of these holding levels, and changes in its management. In addition, the SFSA has the authority to require the shareholder to sell all or part of such holdings.

Listing and Trading of the Shares in Nordea Sweden

Stock Exchange Listings

The ordinary shares in Nordea Sweden are listed on Nasdaq Nordic, the stock exchanges in Stockholm (in Swedish krona, symbol “NDASEK”, ISIN SE0000427361), Helsinki (in the form of Nordea Sweden FDRs with prices quoted in euro, symbol “NDA1V”, ISIN FI0009902530) and Copenhagen (in Danish krone, symbol “NDADKK”, ISIN SE0000427361). The shares in Nordea Sweden have been listed in Stockholm since 1997, in Helsinki since 2002 and in Copenhagen since 2000.

Nasdaq Stockholm was originally established in 1863 as the Stockholm Stock Exchange. The Stockholm Stock Exchange was acquired by the Swedish futures exchange OM AB in 1998. Five years later, in 2003, OM AB merged with Hex Plc, which owned the Helsinki Stock Exchange, established in 1912, and the two stock exchanges became part of OMX AB. In 2005, OMX AB acquired the Copenhagen Stock Exchange, established in 1808. Following the acquisition of OMX AB by NASDAQ in 2008, these three exchanges became known as NASDAQ OMX Stockholm, NASDAQ OMX Helsinki and NASDAQ OMX Copenhagen (currently Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen, respectively). Each of the three exchanges has a status as a regulated market as defined in Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Trading Information

The following table provides an overview of changes in the price of the shares in Nordea Sweden (based on the closing price on Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen, respectively) since 2015:

	Nasdaq Stockholm		Nasdaq Helsinki		Nasdaq Copenhagen	
	High price	Low price	High price	Low price	High price	Low price
	(SEK)		(EUR)		(Danish krone)	
Year ended 31 December 2015	115.40	87.00	12.42	9.17	92.85	68.85
Year ended 31 December 2016	104.40	66.30	10.67	7.00	79.35	50.30
Year ended 31 December 2017	114.80	96.30	11.97	9.76	88.70	72.45
First quarter of 2018 (through 15 February).....	103.25	91.78	10.54	9.26	78.48	68.94

Information about the past and future performance of the ordinary shares in Nordea Sweden, including price information, can be obtained from the website of Nasdaq Nordic at www.nasdaqomxnordic.com. Pricing information for the ordinary shares in Nordea Sweden is published on each trading day. The aggregate average daily trading volume in the ordinary shares in Nordea Sweden in the stock exchanges in Stockholm, Helsinki and Copenhagen was EUR 144 million in 2017.

DIVIDENDS AND DIVIDEND POLICY

Dividend Policy

The Nordea Group's dividend policy consists of maintaining a strong capital position in line with the bank's capital policy. The ambition is to achieve a yearly increase in the dividend per share.

According to the Nordea Group's dividend policy, the Nordea Group strives to maintain a strong capital position in line with its capital policy with an ambition to achieve a yearly increase in the dividend per share. The current intention is to maintain this policy for the parent company of the Nordea Group irrespective of the proposed re-domiciliation and Merger.

Notwithstanding any dividend policy adopted by Nordea Finland, Nordea Finland will evaluate the preconditions for the payment of dividends or other distributions of unrestricted equity annually, which may result in a deviation from the dividend policy, including a decision not to distribute any dividends. The amount of any dividends paid by Nordea Finland in any given financial year is, therefore, uncertain. Further, any payment of dividends, or other distributions of unrestricted equity, by Nordea Finland with respect to prior financial periods is not an indication of the dividends to be paid for financial periods in the future, if any.

See also "*Certain Matters—Special Cautionary Notice Regarding Forward-looking Statements*".

Dividends

The AGM of Nordea Sweden has approved, and Nordea Sweden has paid, the following dividends for the period covered by the historical financial information:

- 2016: EUR 0.65 per share, total dividend payment of EUR 2,625 million (paid in 2017); and
- 2015: EUR 0.64 per share, total dividend payment of EUR 2,584 million (paid in 2016).

The board of directors of Nordea Sweden has, on 24 January 2018, proposed that the AGM of Nordea Sweden scheduled to be held on 15 March 2018 resolve on a dividend of EUR 0.68 per share. The total dividend payment by Nordea Sweden is EUR 2,747 million. The board of directors of Nordea Sweden has proposed that the record date for the dividend be 19 March 2018 and that the dividend payment be made on 26 March 2018.

Dividends and Other Distribution of Funds of Nordea Finland

All of the shares in Nordea Finland will entitle the holders to equal rights to dividends and other distributable funds (including the distribution of Nordea Finland's assets in dissolution) following the entry of the shares in the Finnish Trade Register. Dividends and other distributions of funds are paid to shareholders or their nominees entered in the register of shareholders on the relevant record date. The right to dividends expires three years from the dividend payment date.

In accordance with the prevailing practice in Finland, dividends on shares in a Finnish limited liability company, if any, are generally declared once a year. Dividends may be paid and unrestricted equity may be otherwise distributed for a specific financial year after the general meeting of shareholders has adopted the company's financial statements for that year and resolved on the amount of dividend or other distribution of unrestricted equity based on the proposal by the board of directors of the company. Further, under Finnish law, the general meeting may authorise the board of directors to decide on the distribution of dividend by resolving on a maximum amount of assets to be distributed.

The amount of any dividend or other distribution of unrestricted equity is limited to the amount of distributable funds of the company stated in the financial statements upon which the decision to pay dividends or otherwise distribute unrestricted equity is based, subject to any material changes in the financial position of the company since the financial statements were prepared. In Finland, assets may not be distributed if it is known or should be known at the time of the distribution decision that the company is insolvent or that the distribution will cause the insolvency of the company.

Under Finnish law, at least one-half of the profits of a financial year must be distributed as dividend if a request to this effect is made at the AGM by shareholders representing at least 10 per cent of all shares. Under Finnish law, such dividend is to be reduced by the amount of any distributions of dividends prior to the AGM and in accordance with any relevant provisions in the company's articles of association. Further, profits in excess of the amount that can be lawfully distributed without consent by the company's creditors or in excess of 8 per cent of the company's equity cannot be distributed. In addition, pursuant to the Finnish Act on Credit Institutions, if the amount of the own funds or consolidated own funds of a credit institution falls below the capital requirement laid down in the CRR or in the Finnish Act on Credit Institutions, the credit institution, such as Nordea Finland, may not distribute dividends unless the FFSA, for a special reason, grants an exemption for a fixed period.

For more information on certain differences as compared to Nordea Sweden, see "*Summary of Finnish Company Law and Corporate Governance—Dividends*".

OWNERSHIP STRUCTURE

Nordea Finland

As of the date of this Prospectus, Nordea Sweden owns the sole issued share in Nordea Finland. Nordea Sweden's shareholders will receive as merger consideration one new share in Nordea Finland for each share in Nordea Sweden that they own as of the Completion Date (*i.e.*, the Merger Consideration), meaning that the Merger Consideration will be issued to the shareholders of Nordea Sweden in proportion to their existing shareholding with an exchange ratio of 1:1. Therefore, immediately following the completion of the Merger, the shareholder base of Nordea Finland will be identical to that of Nordea Sweden immediately prior to the completion of the Merger.

Following the completion of the Merger, all shares in Nordea Finland carry equal voting rights and none of Nordea Finland's shareholders have any voting rights that are different from those of the other shareholders in Nordea Finland.

The board of directors of Nordea Finland is not aware of any shareholders' agreement in relation to Nordea Finland. To the best of the board of directors' knowledge, there are no agreements or equivalent arrangements that may lead to a change of control of Nordea Finland.

Nordea Sweden

The following table sets forth information relating to Nordea Sweden's five largest shareholders as of 31 January 2018:

Shareholder	As of 31 January 2018	
	Number of shares (million)	Per cent of shares and votes ⁽¹⁾
Sampo plc	860.4	21.3
Nordea-fonden	158.2	3.9
Alecta	114.7	2.8
Swedbank Robur Funds	102.7	2.5
BlackRock	82.9	2.1

(1) Excluding shares issued for the LTIPs.

As of the date of this Prospectus, Nordea Sweden holds 13.7 million shares of Nordea Sweden in treasury, with a quota value of EUR 13.7 million. These treasury shares will not be entitled to receive any Merger Consideration in connection with the Merger. Nordea Finland intends to arrange a directed share issue to itself prior to the completion of the Merger for the purpose of implementing a share-based incentive scheme. The number of treasury shares to be issued in the directed share issue would correspond to the number of treasury shares held by Nordea Sweden on the Completion Date. For more information, see "*Shares and Share Capital—Nordea Finland—General*".

All shares in Nordea Sweden carry equal voting rights and none of Nordea Sweden's shareholders have any voting rights that are different from those of the other shareholders in Nordea Sweden.

To the extent known to Nordea Sweden, Nordea Sweden is not, directly or indirectly, owned or controlled by any one person.

The board of directors of Nordea Sweden is not aware of any shareholders' agreement in relation to Nordea Sweden. To the best of the board of directors' knowledge, there are no agreements or equivalent arrangements that may lead to a change of control of Nordea Sweden.

RELATED PARTY TRANSACTIONS

Pursuant to IFRS, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's financial or operational decisions, as defined by "IAS 24 – Related Party Disclosures". The Nordea Group defines related parties as: (i) shareholders with significant influence; (ii) Group undertakings; (iii) associated undertakings; (iv) joint ventures; and (v) members of the board of directors and Group Executive Management and the CEO ("**Key Management Personnel**"); and (v) other related parties. Other related parties comprise close family members to individuals in Key Management Personnel. Other related parties also include companies significantly influenced by Key Management Personnel in Nordea Group as well as companies significantly influenced by family members to these Key Management Personnel. Other related parties also include Nordea's pension foundations.

Substantially all of the Nordea Group's transactions with related parties occur in the normal course of business. The number of transactions with related parties is not significant. The Nordea Group's related party transactions primarily fall into one of two categories, transactions with associated undertakings and joint ventures and transactions with employees or members of the board of directors and Group Executive Management.

Transactions with Related Parties

Within the ordinary course of its business, the Nordea Group extends consumer and residential loans to Key Management Personnel. As of 31 December 2017, the total amount of loans outstanding to Key Management Personnel was EUR 4 million, as compared to EUR 5 million as of 31 December 2016 and EUR 4 million as of 31 December 2015. Loans to Key Management Personnel who are employed by Nordea are subject to the same credit terms and conditions applicable to the Nordea Group's employees, except for Key Management Personnel in Denmark, to whom loans are granted on terms and conditions based on market conditions. For general terms of these loans, see "Note G7" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus. Loans extended to Key Management Personnel who are not employed by the Nordea Group (which includes members of the board of directors) and to family members of Key Management Personnel are granted on normal market terms.

Companies that are significantly influenced by Key Management Personnel or their close family members also include Sampo plc and AEGON Asset Management. Transactions with related companies are entered into within the ordinary course of business, based on the same criteria and on the same terms and conditions applicable to comparable transactions with companies of similar standing, and if they did not involve more than normal risk-taking, the transactions are not disclosed separately.

The Nordea Group has taken part in a guarantee consortium to support Eksportfinans in relation to its securities portfolio. As of the date of this Prospectus, the Nordea Group owns 23.21 per cent of Eksportfinans. Other major shareholders of Eksportfinans include the Norwegian government, DNB and Danske Bank. Due to the turmoil in the financial markets in 2008, Eksportfinans suffered mark-to-market losses in its securities portfolio. In February 2008, the Nordea Group, DNB and Danske Bank entered into an agreement pursuant to which they undertook to provide a hedge against a further decline in the market value of Eksportfinans' securities portfolio as measured on 29 February 2008, up to a maximum of NOK 5 billion (of which the Nordea Group's portion is approximately NOK 1.2 billion). The remaining shareholders of Eksportfinans were invited to participate, and by 30 June 2008 shareholders representing a total of 99.50 per cent of the share capital had joined the agreement. This included the Norwegian Government. The Nordea Group's share of the negative fair value of the portfolio was EUR 23 million as of 31 December 2017. The agreement's expiry date corresponds with the maturity dates of the bonds included in the guarantee. The latest maturity is on 31 December 2023.

For additional information, see "Note G45" to the audited consolidated financial statements of the Nordea Group for the year ended and as of 31 December 2017 incorporated by reference into this Prospectus.

SUPERVISION AND REGULATION

The Nordea Group is subject to regulation and supervision by governmental authorities in Sweden, Finland, Denmark, Norway and the other countries where the Nordea Group conducts its business. The Nordea Group's securities and fund operations are regulated by various statutes governing securities and mutual funds.

The Swedish Banking and Financing Business Act requires all banks to operate under a charter granted by the SFSA. Such charters have an indefinite duration, subject to limited withdrawal rights by the SFSA. Nordea has also received a licence to conduct securities business. Similar to the bank charter, this licence is for an indefinite duration and allows Nordea not only to act as a securities broker/dealer but also to trade in securities for its own account.

Nordea Sweden, the current parent company of the Nordea Group, and its wholly owned subsidiary Nordea Finland, have on 25 October 2017 signed the Merger Plan according to which Nordea Sweden proposes to merge with Nordea Finland through the Merger, that is, a cross-border reversed merger by way of absorption. The Merger is estimated to occur on or about 1 October 2018 and will be subject to, among other things, the necessary shareholder approvals and regulatory authorisations. For additional information, see "*Merger of Nordea Sweden into Nordea Finland*". The day-to-day business operations of the Nordea Group, including in its Nordic home markets, will not change as a result of the re-domiciliation, and no changes in the day-to-day business operations from a customer perspective are expected therefrom. The business activities of Nordea Sweden will, to the extent they originate from Sweden, be primarily conducted by Nordea Finland through a branch in Sweden.

Nordea Finland has applied for a licence to operate as a credit institution within the meaning of the Finnish Act on Credit Institutions from the ECB and the FFSA. Nordea Finland will receive deposits from the public and, therefore, it will be a deposit bank within the meaning of Chapter 1, Section 8 of the Finnish Act on Credit Institutions. Nordea Finland will obtain the credit institution licence by the Completion Date.

The following is a summary of the principal supervision and regulation of Nordea and the Nordea Group by public authorities in Sweden and a description of the corresponding principal supervision and regulation by public authorities in Finland (including European authorities such as the ECB) that Nordea Finland and the Nordea Group are expected to become subject to following the completion of the Merger.

Financial Supervisory Authorities

The Swedish Financial Supervisory Authority

The SFSA is the supervisory authority for Swedish credit institutions, including Nordea. The SFSA's supervisory responsibility also encompasses other types of financial institutions, such as insurance companies, investment firms, fund managers and Nasdaq Stockholm. The supervisory responsibility of the SFSA also extends to the foreign branches of Swedish credit institutions as well as domestic branches of foreign credit institutions. To coordinate the execution of supervision over significant branches in Denmark, Finland, Norway and Sweden, the DFSA, the FFSA, the NFSAs and the SFSA as well as the ECB entered into the Memorandum of Understanding in December 2016 that sets out certain procedures for cooperation in respect of the prudential supervision of such branches. The competent authorities of Estonia, Iceland, Latvia and Lithuania acceded the Memorandum of Understanding as participants in 2017. See also "*Description of the Nordea Group—Legal Structure—Nordea Group*". The Memorandum of Understanding is not legally binding on the participating authorities and may not give rise to any legal claim on behalf of any participating authority or third party.

The SFSA's supervision is conducted through analysis of reports regarding, among other things, capital adequacy, large exposures and financial statements and through on-site inspections to ensure that each bank's operations comply with Swedish banking laws and regulations. In addition to its supervisory function, the SFSA issues both binding regulations and general guidelines for companies operating in Swedish financial markets. The SFSA is primarily responsible for deciding on and applying the capital buffers under the CRD IV, which, in turn, means that the SFSA also has a central role in macro-prudential supervision.

The SFSA is also represented in the Swedish Financial Stability Council, the purpose of which is to discuss issues relating to financial stability. The council has no decision-making power. In addition to the SFSA, representatives from Riksbanken, the Swedish Government Debt Office and the Swedish Ministry of Finance are members of the Swedish Financial Stability Council.

As Sweden has, for the time being, decided not to participate in the SSM (*i.e.*, the European Single Supervisory Mechanism) discussed in more detail below under "*—The Finnish Financial Supervisory Authority and the ECB*", no supervisory responsibilities have been transferred from the SFSA to the ECB.

The Finnish Financial Supervisory Authority and the ECB

The FFSA is responsible for the supervision of Finland's financial sector, including Finnish credit institutions. The objectives of the FFSA's activities are to enable balanced operations of credit institutions and other supervised entities as well as to foster public confidence in financial market operations. The FFSA's supervisory responsibilities also encompass other types of financial institutions, such as insurance companies, investment firms, fund managers and Nasdaq Helsinki.

The FFSA's supervision is conducted through analysis of reports regarding, among other things, capital adequacy, large exposures and financial statements and through on-site inspections to ensure that each financial institution's operations comply with Finnish banking laws and regulations. In addition to its supervisory function, the FFSA issues both binding regulations and general guidelines for companies operating in the Finnish financial markets. The FFSA is primarily responsible for deciding on and applying the capital buffers under the CRD IV, which, in turn, means that the FFSA also has a central role in macro-prudential supervision.

A significant change in the supervisory regimes in a number of EU countries, including Finland, took place when the SSM commenced its operations in Europe in November 2014. The SSM is a system of financial supervision comprising the ECB and the competent national authorities of the participating EU countries. The legal basis for the SSM is Council Regulation (EU) No. 1024/2013, which sets forth the supervisory powers of the ECB. Within the SSM, the ECB directly supervises significant credit institutions, and has an indirect role in the supervision of less significant credit institutions, which continue to be supervised by their national supervisors in close cooperation with the ECB. National supervisors continue to have an important role in preparing and implementing the ECB's decisions. In order to increase the consistency and efficiency of supervisory practices, the EBA continues to develop a single rulebook applicable to all member states. It will also ensure that regular stress tests are carried out to assess the resilience of European banks. For banks active in several countries, both inside and outside the euro area, existing coordination between home and host supervisors will continue to exist.

The Nordea Group will, following the completion of the Merger, be under the direct supervision of the ECB as a result of the size of its assets. As discussed above, existing coordination between home and host supervisors will also continue to exist with the SFSA becoming host regulator for these purposes.

In relation to supervision of branches established in Sweden by foreign credit institutions, the general principle under CRD IV is that the prudential supervision of a credit institution's business, regardless of where the business is being conducted, is the responsibility of the competent authorities of the home member state (*i.e.*, for Nordea Finland, the FFSA). Consequently, the branch of Nordea Finland in Sweden will be subject to requirements under Finnish law in relation to, for example, the organisational and capital requirements of the branch. However, Swedish rules will be applicable in relation to depositors, consumers and the payment system as such, and the SFSA is to ensure that Nordea Finland complies with such rules and regulations that are applicable to the branch. With respect to the supervision of Nordea Finland's branch in Sweden, the branch will likely be deemed as a significant branch for the purposes of the Memorandum of Understanding regarding the supervision of significant branches in Denmark, Finland, Norway and Sweden, meaning that the supervision of the branch in Sweden would also be subject to the provisions of the Memorandum of Understanding.

Memorandum of Understanding

One of the main purposes of the Memorandum of Understanding is to enable the competent authority of the home member state of a credit institution to take into account local market concerns regarding significant branches raised by the competent authorities of the host member states. The Memorandum of Understanding sets out principles for enhanced cooperation among the participating authorities (including the DFSA, the FFSA, the NFSA, the SFSA and the ECB). The participating authorities have established a college of supervisors to coordinate supervision under the Memorandum of Understanding. The Memorandum of Understanding governs the areas of prudential supervision, consumer protection supervision, supervision of information and communication technologies, payment services and systems provided by significant branches, supervision of anti-money laundering and the financing of terrorism, and macroprudential tools. The Memorandum of Understanding is also intended to facilitate cooperation between the parties in crisis management in respect of cross-border groups containing one or more significant branches. It applies in full to branches that, if they were subsidiaries, would be considered by the competent authority of the host member state as systemically important credit institutions.

Pursuant to the Memorandum of Understanding, and without limiting their regular supervisory and other responsibilities, the participating authorities agree to exchange information (such as liquidity reports, IRB data, information on operation risk incidents and losses, risk metrics, management information, recovery plans and reports from auditors). Further, the participating authorities are as home member states to involve the respective host member states of branches in reviews and evaluations, recovery planning as well as in certain decisions and reports (such as group risk assessment reports, group liquidity risk assessment reports, decisions which impact the robustness of a group and its branches, internal

models). Under the Memorandum of Understanding the participating authorities are also to strive to ensure that relevant institutions have sufficient liquidity in relevant currencies. The Memorandum of Understanding also sets out procedures for on-site inspections and on-the-spot checks. Finally, the Memorandum of Understanding sets out certain principles for reciprocity for macroprudential tools.

Central Banks

The Central Bank of Sweden

Riksbanken, which is accountable to the Swedish Parliament, sets monetary policy, is responsible for the execution of Sweden's foreign exchange rate policy, administers Sweden's currency reserves, provides emergency liquidity assistance (*i.e.*, acts as a "lender of last resort") and may also take other actions to safeguard financial stability. Riksbanken also handles the clearing arrangements between the banks.

The Central Bank of Finland

Similar to Riksbanken in Sweden, the Bank of Finland is the national monetary authority and central bank of Finland. However, contrary to Riksbanken, the Bank of Finland is also a part of the Eurosystem, the monetary authority of the euro area, which is responsible for monetary policy and other central bank tasks in the euro area and for administering the use of the euro. The primary objective of both the Eurosystem and the Bank of Finland is price stability, that is, a moderate rise in consumer prices. This means that the Bank of Finland has tasks relating both to Finland and to the Eurosystem. In addition to monetary policy, the Bank of Finland's core tasks are financial stability and financial statistics, banking operations and currency supply.

The European System of Central Banks ("ESCB") consists of the national central banks ("NCBs") participating in the Eurosystem and the NCBs of those EU member states that have not yet introduced the single currency. These member states are, as of the date of this Prospectus, Bulgaria, Croatia, the Czech Republic, Denmark, Hungary, Poland, Romania, Sweden and the United Kingdom.

The ECB is responsible for ensuring that the tasks of the Eurosystem are carried out either through its own activities or via the NCBs. For their part, the euro area NCBs carry out the tasks that fall to the ESCB and the Eurosystem. The NCBs contribute through, for example, participation in a range of committees. The NCBs also have national responsibilities outside the Eurosystem, including responsibilities related to financial stability and prudential supervision.

The treaty establishing the European Community accords the Eurosystem absolute independence for executing its duties. The ECB, the Eurosystem NCBs and the members of their decision-making bodies may not seek or take instructions from any outside body.

The primary objective of the Eurosystem is to maintain price stability. It also aims to support the EU's general economic policy, as long as this is not in conflict with the objective of price stability.

Capital Adequacy, Liquidity and Leverage

The global financial crisis that extended from August 2007 through the early part of 2009 revealed regulatory and supervisory shortcomings with regard to, among other things, financial institutions' capital and liquidity management. Many institutions were also weakened by excessive leverage. As a result of these events, and following a review in Sweden, Finland and elsewhere of the existing regulatory framework, a number of initiatives aimed at tightening the regulatory standards applicable to financial institutions, in particular those deemed to be systemically important, were introduced.

One of the most important regulatory initiatives following the crisis was Basel III, which was a comprehensive proposal by the BCBS for reforms to the regulatory capital and liquidity framework for internationally active banks. The Basel III framework has been transposed into law in the EU by way of CRD IV, which consists of the CRD (Capital Requirements Directive) and the CRR (Capital Requirements Regulation). CRD IV was adopted in June 2013. The CRR applies in all EU member states without further national implementation. In contrast, the CRD must be implemented in national law by each member state. Swedish and Finnish legislation implementing the CRD entered into force in 2014.

The European Commission has published the Commission Proposals to amend the CRR and the CRD IV in order to implement certain outstanding elements of the regulatory reforms initiated following the financial crisis and to align the European regulatory framework with recent internationally agreed standards. As of the date of this Prospectus, the exact implementation timing of the regulatory changes set forth in the Commission Proposals has not been confirmed but the amendments are expected to enter into force in 2019 at the earliest, with certain parts being implemented later and subject to phase-in. Some of the key changes introduced in the Commission Proposals are discussed below.

CRD IV

CRD IV includes several capital and liquidity requirements. These include new minimum requirements and capital buffer requirements, which are increased such that the minimum thresholds that banks should at all times exceed are as follows: a 4.5 per cent minimum common equity tier 1 (CET1) capital ratio, a 6.0 per cent tier 1 capital ratio and an 8.0 per cent capital ratio. In addition, the competent authorities have the power to require institutions to hold own funds in excess of the minimum requirements (a so-called pillar 2 requirement). The scope of the instruments qualified as common equity tier 1 (CET1) capital is also more limited and the predominant form of tier 1 capital must be common shares and retained earnings. To be eligible as tier 1 and tier 2 capital, instruments will need to meet more stringent requirements. All non-common tier 1 instruments as well as all tier 2 instruments are subject to the write-down and conversion powers set forth in the BRRD. In addition, the terms of all non-common tier 1 instruments issued by a bank must have a contractual provision that requires such instruments to either be written off or converted into common equity upon the occurrence of a specified trigger event. Instruments that do not contain the required features to satisfy the tier 1 or tier 2 capital requirements, as the case may be, will be gradually phased out by 2022 or at such earlier time as determined by national competent authorities.

CRD IV also introduces capital buffers to be covered with common equity tier 1 (CET1) capital: the capital conservation buffer, the institution-specific countercyclical capital buffer, the systemic risk buffer and the buffers for systemically important institutions. The size of the buffers, other than the capital conservation buffer, is intended to be different depending on the existence of cyclical and structural systemic risks. The buffers may therefore vary over time as well as between institutions. The capital conservation buffer is a permanent addition of 2.5 per cent of an institution's total risk exposure amounts. The countercyclical buffer will typically vary between 0.0 per cent and 2.5 per cent of risk exposure amounts, but may be increased further under certain circumstances. The systemic risk buffer may be set as high as 5.0 per cent, subject to certain conditions. The buffer for systemically important institutions is to be set at a level between 1.0 per cent and 3.5 per cent (in relation to G-SIIs) and up to 2.0 per cent (in relation to other systemically important institutions). When in breach of the buffer requirements, the institutions will face restrictions on, among other things, payment of dividends. However, more severe sanctions, such as withdrawal of the firm's charter, may not be applied in these cases.

Further, two new liquidity requirements are introduced as part of CRD IV: the LCR and the NSFR. The LCR aims to ensure that a bank maintains an adequate level of unencumbered, high-quality assets that can be converted into cash to meet the bank's liquidity needs for a 30-day time horizon under an acute liquidity stress scenario. The NSFR, on the other hand, establishes a minimum acceptable amount of stable funding, based on the liquidity characteristics of an institution's assets and activities over a medium- to long-term horizon. These standards aim to set the minimum levels of liquidity for internationally active banks. The detailed LCR rules entered into force on 1 October 2015 with a three-year phase-in period as follows: 60 per cent in 2015, 70 per cent in 2016, 80 per cent in 2017 and 100 per cent in 2018. The NSFR was initially subject to an observation period. The Commission Proposals include a binding NSFR requirement and requires an institution to hold sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions. The proposed NSFR amendments align NSFR governance, compliance and supervisory actions with the LCR requirement.

CRD IV also includes a leverage ratio, which is defined as tier 1 capital divided by a measure of non-risk-weighted assets. The leverage ratio is currently not a binding requirement but subject to reporting and disclosure requirements. The Commission Proposals include a binding leverage ratio requirement of 3 per cent that is harmonised with the international BCBS standard. A potential higher requirement for G-SIIs is postponed until a decision is taken by the BCBS. A revised version of the calculation of the leverage ratio that further aligned the CRR with the corresponding Basel regime entered into force in January 2015.

In addition to the capital and liquidity requirements, CRD IV also contains various other new rules governing, among other things, corporate governance, remuneration and sanctions.

Swedish Implementation of CRD IV

CRD IV contains a number of provisions previously found in various EU directives that have already been implemented in Swedish law. Given this, and as the CRR is directly applicable in the EU member states, including Sweden, the Swedish Act on Capital Adequacy and Large Exposures (Sw: *lag (2006:1371) om kapitaltäckning och stora exponeringar*), which was adopted to implement the CRD and the Basel II requirements in 2006, was repealed. Those parts of the Capital Adequacy and Large Exposures Act which are to remain in force have been transferred to a new act, the Special Supervision of Credit Institutions and Investment Firms Act (Sw: *lag (2014:968) om särskild tillsyn över kreditinstitut och värdepappersbolag*).

Further, the Swedish Capital Buffers Act, setting out the various provisions relating to capital buffers, has been adopted. Pursuant to this act, all of the CRD IV buffers are implemented in Swedish law, including the systemic risk buffer that is not required to be implemented. The buffers must consist of common equity tier 1 (CET1) capital.

Following the introduction of CRD IV, the SFSA has made several amendments to its regulations in order to align these with, and to complement, the new rules. The SFSA has also elected to implement the new stricter capital regime before the prescribed deadlines. In particular, even though the CRR allows for phase-in periods:

- the requirement to hold a 4.5 per cent common equity tier 1 (CET1) ratio and 6.0 per cent tier 1 capital ratio has been applicable since 1 January 2014;
- the new rules on deductions from common equity tier 1 (CET1) capital have applied from 1 January 2014; and
- the institutions covered by the regime must have phased out the regulatory capital instruments that do not meet the new recognition requirements before 31 December 2018, provided that the relevant instruments have been issued prior to 31 December 2011.

In addition to the accelerated implementation discussed above, the SFSA has also decided to impose on the four major Swedish banks (including the Nordea Group) capital requirements above the minimum CRD IV requirement. More specifically, these banks have been assigned a systemic risk buffer of 3.0 per cent in common equity tier 1 (CET1) capital as of 1 January 2015, in addition to which a further 2.0 per cent common equity tier 1 (CET1) capital requirement applies within the framework of the SFSA's supervisory review process (pillar 2). The SFSA has also set the risk-weight floor for residential mortgages to 25 per cent from September 2014.

The LCR requirements were implemented in Sweden already in 2013. As for leverage regulation, the SFSA announced in December 2014 that it does not see a reason to impose a binding leverage ratio on Swedish banks prior to such regulations being adopted in the EU.

In June 2015, the SFSA identified the Nordea Group as a G-SII based on the list of G-SIIs as published by the FSB. The G-SII buffer is set to 1.0 per cent to be met by common equity tier 1 (CET1) capital. In October 2015, the SFSA also identified Nordea on a Group level, as an O-SII with a buffer requirement of 2.0 per cent to be met by common equity tier 1 (CET1) capital. This buffer requirement is applicable from 1 January 2016. However, given that the Nordea Group is already subject to a 3.0 per cent systemic risk buffer, neither of these buffer requirements will have an impact on the overall capital buffer requirements of the Nordea Group. Only the higher of the G-SII or O-SII and the systemic risk buffer will apply.

The countercyclical capital buffer has also been activated in Sweden. A buffer rate for exposures in Sweden of 1.0 per cent was applicable from 13 September 2015 and subsequently increased to 1.5 per cent from 27 June 2016. A 2.0 per cent buffer rate has been applied from 19 March 2017. This implies, considering the countercyclical buffer rates in other countries, that the institution-specific countercyclical capital buffer equalled 0.8 per cent as of 31 December 2017 for the Nordea Group. Under the current pillar 2 framework, the Nordea Group is subject to applicable risk weight floors for residential mortgage portfolios in Norway and in Sweden. Therefore, the pillar 2 common equity tier 1 (CET1) capital requirement for the risk weight floors as of 31 December 2017 was estimated to be 1.6 per cent of risk exposure amount (REA) and the pillar 2 own funds requirements as of the same date was estimated to be 1.9 per cent of REA. In addition, the Nordea Group is subject to other-institution-specific pillar 2 requirements, which as of 31 December 2017 were estimated to be 3.3 per cent in common equity tier 1 (CET1) capital requirement and 4.3 per cent in own funds requirement. In December 2017, the SFSA communicated that it had decided to recognise the SFSA's risk weight floor of 15 per cent for residential mortgage loans, as from 1 January 2018, applicable to credit institutions that have adopted the IRB approach for the calculation of capital requirements.

In May 2016, the SFSA adopted new supervisory methods for banks using the IRB approach. These methods are primarily targeted at exposures to corporates and introduce a more conservative calculation of probability of default. At the same time, a maturity floor was introduced for banks using the Advanced IRB approach.

In August 2016, the SFSA published the stress test methodology that it will use to determine the capital planning buffer in Sweden. The overarching methodology includes a scenario analysis involving changes in operational risk parameters and the calibration of risk factors on a year-to-year basis. The stress test methodology was applied by the SFSA for the first time in connection with the SREP for 2016. The results are used to determine the capital planning buffer, which the SFSA publishes on a quarterly basis. The capital planning buffer is expected to increase an institution's capital requirements in the SREP only if it is set at a level above the capital conservation buffer of 2.5 per cent of risk exposure amounts.

Finnish Implementation of CRD IV

The directly applicable CRR entered into force in Finland on 1 January 2014, and the CRD Directive was implemented in Finland through amendments to the Finnish Act on Credit Institutions with effect from the same date. Accordingly, regulatory capital and liquidity requirements applicable to Finnish credit institutions (such as Nordea Finland, once it commences its banking operations) are determined in accordance with both the CRR and the Finnish Act on Credit Institutions. Furthermore, the SFSA has issued national regulations and guidelines on the calculation of capital

requirements and large exposures relating to the national application of the CRR. These regulations and guidelines contain, among other things, the FFSA's guidelines on the categorisation of various Finnish capital instruments into common equity tier 1 (CET1) capital, additional tier 1 or tier 2 instruments for the purposes of satisfying the own funds requirements imposed by the CRR and the Finnish Act on Credit Institutions.

Pursuant to the CRR, credit institutions must have a common equity tier 1 (CET1) capital ratio of at least 4.5 per cent, a tier 1 capital ratio of 6.0 per cent and a total capital ratio of 8.0 per cent (each ratio expressed as a percentage of the total risk exposure amount). Furthermore, Finnish law imposes additional capital requirements consisting of a capital conservation buffer, a countercyclical buffer as well as, where relevant, additional buffer requirements for G-SIIs and other systemically important institutions. A Finnish credit institution must have an additional capital conservation buffer of 2.5 per cent, consisting of common equity tier 1 (CET1) capital. The FFSA is also authorised to set a countercyclical buffer of zero to 2.5 per cent based on macro-prudential analysis, although it has not imposed such buffer as of the date of this Prospectus. The countercyclical buffer (if imposed in the future) must also be satisfied with common equity tier 1 (CET1) capital. As the Nordea Group is classified as a G-SII, it is expected, following the completion of the Merger, to be required by the ECB and the FFSA to comply with the buffer requirement for systematically important institutions as set out in the Finnish legislation. Pursuant to the Finnish Act on Credit Institutions, the buffer for G-SIIs is to be set at a level between 1.0 per cent and 3.5 per cent. Furthermore, a systemic risk buffer within the meaning of Article 133 of the CRD has been recently implemented into Finnish law through amendments to the Finnish Act on Credit Institutions, pursuant to which the FFSA may impose a systemic risk buffer of 1 per cent to 5 per cent on Finnish credit institutions to be applicable from 1 January 2019 at the earliest. A buffer requirement in excess of 3 per cent requires the approval of the European Commission.

Financial Stability Board's Key Principles and Requirements on Total Loss Absorption Capacity

The Nordea Group is among the banks categorised by the FSB, an international body that monitors and makes recommendations about the global financial system, as a G-SII. As a result, the authorities in the jurisdictions where the Nordea Group conducts significant business have prepared a resolution plan relating to the Nordea Group and also entered into a cross-border cooperation agreements setting out the responsibilities of the various authorities involved in crisis preparation and crisis management relating to the Nordea Group. The Nordea Group has also been required to prepare a recovery plan. In addition, resolvability assessments will be conducted periodically. The various initiatives taken as a result of the Nordea Group being deemed to be a G-SII are in line with the requirements set out in FSB's so-called "**Key Principles**".

In November 2015, the FSB published the final standards for TLAC, relating to the requirement for all G-SIIs (including the Nordea Group) to hold, on top of capital, a certain level of TLAC instruments as loss-absorbing capacity (that is, bail-in debt that may be written down and/or converted to share capital in case of a failure). The Commission Proposals propose to incorporate the TLAC regime into the European regulatory framework. The TLAC standards are not applicable to Swedish or Finnish banks pending the EU implementation of the standards.

Framework for Recovery and Resolution of Credit Institutions and Investment Firms

General

In December 2014, the EU adopted the BRRD. The majority of the measures set out in the BRRD were to be implemented in national law with effect from 1 January 2015, with the bail-in power to apply from 1 January 2016, at the latest.

The over-arching objective of the BRRD is to allow the authorities to take the actions necessary to maintain financial stability, while at the same time reducing the danger of moral hazard. The BRRD is to a large extent based on FSB's Key Principles. The powers conferred upon supervisory authorities pursuant to the directive can be generally categorised into preventive powers, early intervention powers and resolution powers. Ultimately, the authorities may take control of a failing bank and, among other things, transfer the bank to a private purchaser or to a publicly controlled entity (a so-called "bridge institution") pending a private sector arrangement. In order to ensure that losses are imposed on the shareholders and the creditors of the bank, the directive also includes extensive powers to write down share capital as well as to write down and/or convert outstanding debt into equity in the bank. This mechanism is commonly referred to as "bail-in". Most of such failing bank's debt could be subject to bail-in, except for certain specific exceptions such as deposits and secured liabilities. In order to ensure that there is sufficient buffer capacity to cover the losses and/or recapitalise in case of a failure, the directive stipulates that there should be a minimum requirement for eligible liabilities (*i.e.*, MREL). In July 2015, the EBA published its final draft technical standard describing the calculation of the MREL requirement that was adopted by the European Commission in May 2016.

Pursuant to the Memorandum of Understanding (see "*—Financial Supervisory Authorities—Memorandum of Understanding*" above) and applicable EU rules, the relevant host member states are to be involved in recovery planning and the home member state should consult with the competent authorities of the relevant host member states before an

assessment of a recovery or of a group recovery plan is carried out. The main objectives of the recovery planning should be to ensure a high standard of crisis prevention and to preserve the financial stability of the local market.

Sweden

On 23 February 2017, the SNDO, which has been assigned as the Swedish resolution authority, published the MREL Framework setting forth a final framework for MREL for Swedish banks. The MREL Framework includes, among other things, the following guidance: (i) the minimum MREL requirement shall comprise of the sum of a loss absorption amount (equivalent to the bank's total capital requirements excluding the combined buffer requirement and the pillar 2 macro-prudential components) and a recapitalisation amount (equivalent to the bank's total capital requirements, excluding the combined buffer requirement) and both amounts shall be based on the applicable capital requirements for banks, (ii) the recapitalisation amount of the minimum MREL requirement should be met with eligible liabilities and not own funds, and (iii) eligible liabilities, which are used to meet the recapitalisation amount of the minimum MREL requirement, should be subordinated. Specific MREL requirements to be applied from 1 January 2018 were set for Swedish banks in December 2017 by the SNDO in accordance with the MREL Framework. The MREL requirement for the Nordea Group was set at 7.1 per cent of total liabilities and own funds (28.9 per cent of risk exposure amount (REA), and the recapitalisation amount was set at 4.0 per cent of total liabilities and own funds (16.5 per cent of risk exposure amount (REA)). The subordination requirement is subject to a phasing-in period and banks will not be required to meet MREL entirely with subordinated debt until 2022.

As part of the Commission Proposals, the European Commission also proposed to make certain amendments to the BRRD. The Commission Proposals include an EU harmonised approach on bank creditors' insolvency ranking, which will enable banks to issue debt in a new statutory category. This new category will be a non-preferred tier of senior debt and, in case of resolution, such debt will be written-down or converted before other senior liabilities. This reflects changes that have already been made (or are in the process of being made) in certain EU member states (e.g., France). The new ranking will only apply to newly issued debt, meaning that debt outstanding before the new rankings enter into force will not be affected. The creditor hierarchy in insolvency set forth in the Commission Proposals is being negotiated within the EU.

The Swedish legislation implementing the BRRD (including the bail-in power) entered into force on 1 February 2016. In accordance with the BRRD, the Swedish legislation implementing the BRRD provides that banks should contribute to the build-up of a resolution fund, the purpose of which is to finance future resolution actions taken by the authorities. Each bank's contribution will be determined on the basis of its risk profile, taking into consideration, among other things, the bank's risk exposure, the variety of sources of funding and the importance of the bank to the stability of the overall financial system or the economy. When the funds in the Swedish resolution fund exceed 3 per cent of the amount of all covered deposits (i.e., deposits that are subject to the Swedish deposit protection scheme), the contributions will be replaced by an annual risk fee to be paid by the banks. An individual fee for each bank will be set by the Swedish authorities at a level which reflects the expected costs that may be incurred by the resolution fund with respect to the business conducted by the bank. The Swedish government has recently proposed to abolish the risk fee, meaning that there will be no further contributions by the banks to the resolution fund once the size of the fund reaches the 3 per cent threshold. The proposal also provides that the contributions should be temporarily increased during 2018 so that the threshold is reached earlier than what would otherwise have been the case.

On a European level, the proposal for the Single Resolution Mechanism was recently approved. The mechanism will be an extension of the SSM and a further component of the banking union discussed above under "*Financial Supervisory Authorities—The Finnish Financial Supervisory Authority and the ECB*".

Finland

The BRRD has been implemented in Finland through the Finnish Resolution Act and the Finnish Act on Financial Stability Authority. The latter regulates the Finnish Financial Stability Authority, which is the national resolution authority in Finland. Both acts entered into force on 1 January 2015.

The BRRD is complemented with the directly applicable Regulation (EU) No. 806/2014 introducing the Single Resolution Mechanism. Following the completion of the Merger, the SRM Regulation will be applied to the Nordea Group as the primary resolution code instead of the national Finnish Resolution Act. The SRM Regulation establishes the SRB having resolution powers over the institutions that are subject to the SRM Regulation, thereby replacing or exceeding the national authorities. Where the SRB performs its duties and exercises powers under the SRM Regulation, the SRB is considered to operate as the relevant national authority under the BRRD. The SRB will prepare and adopt a resolution plan for the entities subject to its powers, including Nordea Finland following the completion of the Merger. It will also determine, after consulting competent authorities including the ECB, an MREL subject to write-down and conversion powers which Nordea Finland will be required to meet at all times. The SRB will also have the powers of early intervention as set forth in the Single Resolution Mechanism, including the power to require Nordea Finland to contact potential purchasers in order to prepare for resolution of Nordea Finland. The SRB would have the authority to

exercise the specific resolution powers under the Single Resolution Mechanism. These would be launched if the SRB assesses that the following conditions are met: (i) Nordea Finland is failing or is likely to fail; (ii) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action or the write-down or conversion of relevant capital instruments, taken in respect of the Nordea Finland, would prevent its failure within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest.

As part of the Single Resolution Mechanism, the EU-wide SRF managed by the SRB was established. The SRF commenced its operations as of 1 January 2016. The SRF is a pool of funds provided by the banking sector which will be set up to ensure that medium-term funding support is available while a credit institution is being restructured. The SRB can use the SRF only for the purpose of ensuring the efficient application of the resolution tools and exercise of the resolution powers referred to in the Single Resolution Mechanism and in accordance with the resolution objectives and the principles governing the resolution referred to in the Single Resolution Mechanism. The budget of the EU or the national budgets cannot be used to cover expenses or losses of the SRF. Banks, including Nordea Finland following the completion of the Merger, will have to make annual contributions to the SRF. The Single Resolution Mechanism lays down the basic rules on how to calculate the contributions of individual banks to the SRF. The Finnish Stability Authority is responsible for raising the contributions from Finnish banks and transferring the contributions to the SRF.

Deposit Guarantee Schemes

Deposit Guarantee Scheme in Sweden

In Sweden, the deposit guarantee scheme is regulated in the Swedish Deposit Insurance Act (Sw: *lag (1995:1571) om insättningsgaranti*) (the “**Swedish Deposit Insurance Act**”) and administrated by the SNDO.

The meaning and the purpose of the Swedish deposit guarantee scheme is to contribute to stability in the financial system and to protect deposits in banks, credit market companies and certain securities firms, in the event of such institutions’ bankruptcy or following a decision by the SFSA that the guarantee will be paid out.

The Swedish deposit guarantee scheme covers deposits in all types of accounts, regardless of whether the account is available for immediate withdrawal or not and regardless of whether the deposit is made by a natural or legal person. Deposits made by for example certain financial institutions, public authorities or deposits originated from money laundering are, however, not covered.

The Swedish Deposit Insurance Act has been amended in order to comply with both the EU Deposit Guarantee Scheme Directive (Directive 2014/49/EU) as well as the BRRD.

The maximum compensation in Sweden is limited to SEK 950,000 per depositor and institution. In the event someone has several accounts with the same institution, the maximum compensation is still SEK 950,000. In the event of a joint account, each accountholder will be entitled to the maximum compensation. If the deposit exceeds SEK 950,000, the excess deposits in that institution is not covered by the deposit guarantee scheme. It is, however, possible to apply for extra compensation up to SEK 5,000,000 for deposits resulting from transactions serving a certain social purpose, for example a real estate transaction, divorce, retirement, dismissal, invalidity or death provided that no longer than 12 months has passed since the amount was credited or from the moment when such deposits become legally transferable.

The main rule is that payment pursuant to Swedish deposit guarantee scheme will be paid out within seven working days from the moment the institution is declared bankrupt or following the decision by the SFSA.

If the deposit is made in a Swedish branch of a foreign institution, the main rule is that the deposit guarantee scheme of the foreign institution’s home country applies. In the event the maximum compensation differs, the Swedish deposit guarantee scheme may be expanded to include branches of foreign banks in Sweden.

Deposit Guarantee Scheme in Finland

As part of the reforms required by the BRRD, amendments have been made to Finnish legislation (including the Finnish Act on Financial Stability Authority) to establish a preference in the insolvency hierarchy for certain deposits that are eligible for protection by the Finnish deposit guarantee scheme and the uninsured element of such deposits and, in certain circumstances, deposits made in non-EEA branches of EEA credit institutions. In addition, the Finnish implementation of the EU Deposit Guarantee Scheme Directive (Directive 2014/49/EU) increased, from July 2015, the nature and amount of insured deposits to cover a wide range of deposits, including corporate deposits (unless the depositor is a public sector body or financial institution) and some temporary high value deposits. All such preferred deposits will rank in the insolvency hierarchy ahead of all other unsecured senior creditors of Nordea Finland following the completion of the Merger. Insured deposits are also excluded from the scope of the bail-in tool.

The maximum compensation provided from the Finnish deposit guarantee fund is EUR 100,000 for one customer in one bank. If the customer's deposits exceed EUR 100,000 in one bank, the excess deposits in that bank are not covered by the deposit guarantee. In calculating the amount of compensation, all deposits of a customer placed with the same bank are aggregated. The liabilities that a customer may have in the same bank have no impact on the level of compensation.

The deposit guarantee covers deposits by private persons, associations and companies. Owners of a joint account are each entitled to the full cover of EUR 100,000. The guarantee does not apply to persons with only the right to use a deposit account. An estate's deposit is considered a single person's deposit, covered to EUR 100,000. The deposit guarantee does not cover, for example, funds in accounts used for investment services, as these fall within the scope of the compensation liability of the Investors' Compensation Fund as set out in the Investment Services Act (Fi: *sijoituspalvelulaki (747/2012)*) (the "**Finnish Investment Services Act**").

When a deposit bank has run into permanent payment difficulties, the Finnish Resolution Authority must decide within five working days whether the Finnish deposit guarantee fund is liable to compensate. The maximum payment period for the compensation is 20 working days until 31 December 2018, 15 working days until 31 December 2019 and seven working days thereafter.

Currency and Credit Policy Regulations

There have been no foreign exchange controls in effect in Sweden since 1989. The Swedish Act on Exchange and Credit Controls (Sw: *lag (1992:1602) om valuta- och kreditreglering*) empowers the Swedish Government, following consultation with Riksbanken, to implement foreign exchange controls if Sweden is at war, or if there are exceptional conditions prevailing on account of war, danger of war, serious accident or exceptionally heavy short-term capital movements. If foreign exchange controls have been introduced, the Swedish Government is also entitled to implement credit controls upon request by Riksbanken. Any resolution implementing such controls is required to be submitted to the Swedish Parliament for approval within one month from the resolution. Should this not be done within the stipulated time, the resolution ceases to be valid.

In Finland, there is no foreign exchange controls in effect. However, under the Finnish Emergency Powers Act (Fi: *valmiuslaki (1552/2011)*) (the "**Finnish Emergency Powers Act**"), which regulates emergency situations, the Finnish Government, the Bank of Finland and the FFSA are granted special powers, for example, to limit the transfer of money outside from the country. Such emergency situations include, among other events, an ongoing or threatening military attack targeting Finland, a catastrophe, contagion or other comparable event affecting the population or the economic foundations of Finland. The Finnish Emergency Powers Act includes special provisions concerning financial markets. The emergency powers also include the possibility for the competent authorities to impose an obligation to repatriate funds and assets held outside of Finland and to require permission from the Bank of Finland for import and export of securities, money or certificates of claim. Furthermore, in a severely stressed scenario for a Finnish credit institution, the Finnish Stability Authority in collaboration with the FFSA and the Bank of Finland may, pursuant to the Finnish Act on Temporary Interruption of the Operations of a Deposit Bank (Fi: *laki talletuspankin toiminnan väliaikaisesta keskeyttämisestä (1509/2001)*), impose a so-called interruption regime on Nordea Finland (being a deposit bank following the completion of the Merger and following receipt of the credit institution licence), whereby the operations of the bank are effectively frozen for a maximum period of six months. Under the interruption regime, the bank is not permitted to accept deposits, continue cash sweeps or pay off debt other than certain qualifying agreements. The bank may seek permissions from the FFSA and the Finnish Stability Authority to continue certain funding activities, but such permission would likely be denied if the activities would result in a net cash flow out of the bank or its Finnish operations.

TAXATION

The following summary is based on the tax laws of Finland, Sweden and Denmark as in effect as of the date of this Prospectus and is subject to changes in the tax laws of Finland, Sweden and Denmark, including changes that could have a retroactive effect. The following summary is not exhaustive and is based on the laws in effect as of the date of this Prospectus. Shareholders are advised to consult professional tax advisors as to the tax implications that may arise from the Merger and relating to the purchase, ownership and disposition of shares in Nordea Finland including, among others, the ability to defer any potential capital losses resulting from the Merger, the applicability of foreign tax rules and the possibility to apply a tax treaty in order to avoid double taxation.

Finnish Tax Considerations

The following is a description of the material Finnish income tax, transfer tax and value added tax consequences that may be relevant with respect to the Merger. The description below is applicable to both Finnish resident and non-resident natural persons and limited liability companies for the purposes of Finnish domestic tax legislation relating to the receipt of shares in Nordea Finland as Merger Consideration, dividend distributions on shares in Nordea Finland and capital gains arising from the sale of shares in Nordea Finland.

The following description does not address tax considerations applicable to such holders of shares in Nordea Finland that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax exempt entities or general or limited partnerships. Furthermore, the description does not address Finnish inheritance or gift tax consequences.

Relevant case law as well as decisions and statements made by the tax authorities in effect and available as of the date of this Prospectus have been taken into account.

The following description is subject to change, which change could apply retroactively and could, therefore, affect the tax consequences described below.

General

Tax residents and non-tax residents of Finland are treated differently for tax purposes. The worldwide income of persons tax resident in Finland is subject to taxation in Finland. Non-tax residents are taxed on income from Finnish sources only. Additionally, Finland imposes taxes on non-tax residents for income connected with their permanent establishments situated in Finland. However, tax treaties may limit the applicability of Finnish tax legislation as well as the right of Finland to tax Finnish-source income received by a non-resident.

Generally, a natural person is deemed to be resident in Finland if such person remains in Finland for a continuous period of more than six months or if the permanent home of such person is in Finland. Earned income, including salary, is taxed at progressive rates. Currently, the capital income tax rate is 30 per cent. In addition, should the amount of capital income received by a resident natural person exceed EUR 30,000 in a calendar year, the capital income tax rate is 34 per cent on the amount that exceeds EUR 30,000. Corporate entities established under the laws of Finland are regarded as residents in Finland and are, therefore, subject to corporate income tax on their worldwide income. In addition, non-residents are subject to Finnish corporate income tax on their income connected with their permanent establishments situated in Finland. Currently, the corporate income tax rate is 20 per cent.

The following is a summary of certain Finnish tax consequences relating to the purchase, ownership and disposition of shares in Nordea Finland by Finnish resident and non-resident shareholders.

Tax Implications of the Merger

Taxation of Nordea Finland

In accordance with Sections 52 a and 52 b of the Finnish Business Income Tax Act (Fi: *laki elinkeinotulon verottamisesta (360/1968)*) (the “**Finnish Business Income Tax Act**”), Nordea Sweden is not considered to dissolve in taxation when it through dissolution without liquidation transfers all of its assets and liabilities to Nordea Finland, and the shareholders, including Nordea Sweden FDR holders receive new shares in Nordea Finland as Merger Consideration. As the Merger will be considered a universal succession, no transaction subject to VAT will occur and no VAT will be due. The tax neutrality of the Merger has been confirmed by a final advance ruling issued by the Finnish Tax Authority.

In accordance with the principle of continuity, acquisition costs and other deductible costs that have not been deducted in the taxation of Nordea Sweden can be deducted in Nordea Finland’s taxation in accordance with Finnish tax law.

Nordea Finland has filed an application with the Finnish Tax Administration for a binding ruling to confirm whether the transfer tax neutrality applies to the shares and FDRs of Nordea Sweden and assets (in scope of transfer tax) received in the Merger.

Taxation of Merger Consideration Received by Shareholders of Nordea Sweden

The receipt of the Merger Consideration by a Finnish resident shareholder is not considered a transfer of shares in Nordea Sweden in the taxation of a Finnish resident shareholder of Nordea Sweden. The original acquisition cost of the shares in Nordea Sweden is considered to be the acquisition cost for the shares in Nordea Finland received as Merger Consideration, and the ownership period of the shares in Nordea Finland is calculated from the acquisition of the shares in Nordea Sweden.

The Finnish Central Board of Taxes has issued a binding ruling on tax treatment of the conversion of Nordea Sweden FDRs into shares in Nordea Finland in a natural person's income taxation. The binding ruling is not final as of the date of this Prospectus due to the pending appeal period. According to the binding ruling, the conversion of Nordea Sweden FDRs into shares in Nordea Finland in the Merger is not a disposal in taxation. The original acquisition cost of the Nordea Sweden FDRs is considered to be the acquisition cost for the shares in Nordea Finland received as Merger Consideration and the ownership period of the shares in Nordea Finland is calculated from the acquisition of the Nordea Sweden FDRs.

Transfer tax is not payable on the shares in Nordea Finland received as Merger Consideration. Nordea Finland has filed an application with the Finnish Tax Administration for a binding ruling to confirm whether the transfer tax neutrality applies also to FDR holders receiving Merger Consideration.

Taxation of Dividends

Natural Persons Resident in Finland

If shares owned by a natural person are not included in the business activity (*i.e.*, business income source) of such person, 85 per cent of dividends paid by a publicly listed company (as defined in Section 33 a, Subsection 2, of the Finnish Income Tax Act (Fi: *tuloverolaki (1535/1992)*) (the “**Finnish Income Tax Act**”) (such company, a “**Listed Company**”) to such shareholder is considered capital income of the recipient, which is taxable at the rate of 30 per cent (34 per cent on the amount that exceeds EUR 30,000 in a calendar year), while the remaining 15 per cent is tax exempt. Of dividends paid by a Listed Company to a natural person whose underlying shares belong to the business activity of such shareholder, 85 per cent is taxable partly as earned income, which is taxed at a progressive rate, and partly as capital income, which is taxed at a rate of 30 per cent (34 per cent rate on the amount of capital income that exceeds EUR 30,000 in a calendar year), and the remaining 15 per cent is tax exempt.

Distribution of dividends by a Listed Company to resident natural persons is subject to advance tax withholding. Currently, the amount of the advance tax withholding is 25.5 per cent. The advance tax withheld by the distributing company is credited against the final tax payable by the shareholder for the dividend received. Resident natural persons must review, and correct, if necessary, the amount of dividend income and the advance tax withheld on their pre-completed income tax return form.

Finnish Limited Liability Companies

Taxation of dividends distributed by a Listed Company depends, among other things, on whether the Finnish company receiving the dividend is a Listed Company or not.

Dividends received by a Listed Company from another Listed Company are generally tax exempt. However, in cases where the underlying shares are included in the investment assets of the shareholder, 75 per cent of the dividend is taxable income while the remaining 25 per cent is tax exempt. Only banking, insurance and pension institutions may have investment assets.

Dividends received by a Finnish company that is not a Listed Company (*i.e.*, a privately held company) from a Listed Company are taxable income. However, in cases where the privately held company directly owns 10 per cent or more of the share capital of the Listed Company distributing the dividend, the dividend received on such shares is tax exempt, provided that the underlying shares are not included in the investment assets of the shareholder.

Non-residents of Finland

As a general rule, non-residents of Finland are subject to Finnish withholding tax on dividends paid by a Finnish company. The withholding tax is withheld by the company distributing the dividend at the time of dividend payment and no other taxes on the dividend are payable in Finland. The withholding tax rate is 20 per cent for non-resident corporate entities as income receivers and 30 per cent for all other non-residents as income receivers, unless otherwise set forth in the applicable Tax Treaty.

Finland has entered into Tax Treaties with several countries pursuant to which the withholding tax rate is reduced on dividends paid to persons entitled to the benefits under such treaties. A further reduction in the withholding tax rate is usually available to corporate shareholders for distributions on qualifying holdings (usually direct ownership of at least

10 or 25 per cent of the share capital or votes of the distributing company). The reduced withholding rate benefit in an applicable Tax Treaty will be available if the person beneficially entitled to the dividend has provided either a valid tax-at-source card or necessary details of residency and identity to the payer of the dividend.

Where shares in a Finnish company are held through a nominee account, a Finnish company pays dividends to the nominee account managed by the custodian, who then delivers the dividend payment to the beneficial owners. If shares are held through a nominee account and the person entitled to receive dividends on such shares is a resident in a country with which Finland has concluded a Tax Treaty, the withholding tax rate on the dividend is 15 per cent (or a higher rate set forth in the relevant Tax Treaty) even if the identification details of the person beneficially entitled to the dividend are not available (simplified procedure). Applying lower Tax Treaty based rates than 15 per cent (either at source or at the refund stage) requires that the beneficial owner's identification details are obtained.

Applying the above mentioned simplified procedure requires that the foreign custodian intermediary is registered in the Finnish tax authorities' custodian register and that it is resident in a country with which Finland has concluded a Tax Treaty. In addition, the foreign custodian intermediary must have an agreement with the Finnish account operator regarding the custody of the nominee-registered shares. In such agreement, the foreign custodian intermediary must, among other things, commit to report the dividend receiver's residential country to the account operator, confirm the applicability of the Tax Treaty and, upon tax authority's request, provide the beneficial owner's identification details to the tax authorities. If these requirements are not fulfilled, 20 per cent withholding tax is withheld on the nominee account's dividends for non-resident corporate entities and 30 per cent for all other non-residents. See also "*Risk Factors—Risks Relating to the Shares in Nordea Finland—Possible changes in the Finnish withholding tax regime may increase the withholding tax rate of unidentified nominee-registered shareholders*".

Certain Qualifying Non-resident Corporate Entities Residing in EU Member States

Under Finnish tax laws, no withholding tax is levied on dividends paid to foreign corporate entities that reside, and are subject to corporate tax, in an EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended) and that directly hold at least 10 per cent of the capital in the distributing Finnish company.

Certain Non-resident Corporate Entities Residing within the EEA

Dividends paid to certain non-resident corporate entities residing within the EEA are either fully tax exempt or taxed at a reduced withholding tax rate, depending on how the dividend would be taxed if paid to a corresponding Finnish corporate entity.

In Finland, no withholding tax is levied on dividends paid by a Finnish company to a non-resident company provided that (i) the company receiving the dividend is resident in a country within the EEA; (ii) Council Directive 2011/16/EU, as amended, on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC (the "**Mutual Assistance Directive**"), or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; (iii) the corporate entity receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33 d, Subsection 4, of the Finnish Income Tax Act or in Section 6 a of the Finnish Business Income Tax Act; (iv) the dividend would be fully tax exempt if paid to such corresponding Finnish company or entity (see "*—Finnish Limited Liability Companies*" above); and (v) the company receiving the dividend provides evidence (in the form of a certificate issued by the home country's tax authorities) that the paid withholding tax could not *de facto* be fully credited in the home country pursuant to the applicable Tax Treaty.

Notwithstanding the above, dividend income is not tax exempt if the recipient company does not hold directly at least 10 per cent of the capital in the distributing company and the shares in the distributing company belong to the investment assets of the recipient company. In such situations, the current applicable withholding tax rate is 15 per cent provided that (i) the company receiving the dividend is a resident in a country within the EEA; (ii) the Mutual Assistance Directive or an agreement regarding executive assistance and exchange of information in tax matters within the EEA is applicable to the home country of the recipient of the dividend; and (iii) the company receiving the dividend corresponds to a Finnish corporate entity as defined in Section 33 d, Subsection 4, of the Finnish Income Tax Act or in Section 6 a of the Finnish Business Income Tax Act. Depending on the applicable Tax Treaty, the applicable withholding tax rate can also be less than 15 per cent (see "*—Non-residents of Finland*" above).

Certain Non-resident Natural Persons Residing within the EEA

Instead of being subject to withholding tax as described under "*—Non-residents of Finland*" above, dividends paid to non-resident natural persons can be, upon request by such non-resident natural person, taxed pursuant to the Finnish Act on Assessment Procedure (Fi: *laki verotusmenettelystä (1558/1995)*) (the "**Finnish Act on Assessment Procedure**") (*i.e.*, taxed similarly to dividends paid to residents of Finland (see "*—Natural Persons Resident in Finland*" above)) provided, however, that (i) the person receiving the dividend is resident in a country within the EEA; (ii) the Mutual Assistance Directive, or an agreement regarding executive assistance and exchange of information in tax matters within the EEA, is applicable to the home country of the recipient of the dividend; and (iii) the recipient of the dividend provides

evidence (in the form of a certificate issued by the home country's tax authorities) that any paid withholding tax could not *de facto* be fully credited in the home country pursuant to an applicable Tax Treaty.

Capital Gains

Natural Persons Resident in Finland

A capital gain or loss arising from the sale of shares that do not belong to the business activity of the shareholder is taxable in Finland as a capital gain or deductible as a capital loss for resident natural persons. Capital gains are currently taxed at a rate of 30 per cent (34 per cent on the amount that exceeds EUR 30,000 in a calendar year). If the shares belong to the business activity (business income source) of the seller, any gain arising from the sale is deemed to be business income of the seller, which will be divided according to the Finnish Income Tax Act to be taxed as earned income at a progressive tax rate and capital income at a rate of 30 per cent (34 per cent rate on the amount of capital income that exceeds EUR 30,000 in a calendar year).

A capital loss arising from the sale of shares that do not belong to the business activity of the shareholder is deductible from the resident natural person's capital gains arising in the same year and during the following five tax years. The portion of capital loss not deducted from the capital gains for the tax year is deductible from the amount of net capital income prior to any other deductions are made (*e.g.*, tax deductible interest expenses and carry forward tax losses). However, loss derived from the sale of shares is not taken into account when granting credit for capital income deficit that is deductible from the taxes under the deficit crediting system. The deductibility of losses related to securities included in the sellers business activity is determined as described under "*—Finnish Limited Liability Companies*" below.

Notwithstanding the above, capital gains arising from the sale of shares that do not belong to the business activity of the shareholder are exempt from tax provided that the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws). Correspondingly, capital losses are not tax deductible if the acquisition cost of all assets sold during the tax year does not, in aggregate, exceed EUR 1,000 (exclusive of proceeds from the sale of any assets that are tax exempt pursuant to Finnish tax laws) and also the proceeds of all assets sold by the resident natural person during the tax year do not, in aggregate, exceed EUR 1,000.

Any capital gain or loss is calculated by deducting the original acquisition cost and sales related expenses from the sales price. Alternatively, a natural person holding shares (or other assets) that are not included in the business activity of the shareholder may, instead of deducting the actual acquisition costs, choose to apply a so called presumptive acquisition cost, which is equal to 20 per cent of the sales price, or in the case of shares that have been held for at least 10 years, 40 per cent of the sales price. If the presumptive acquisition cost is used instead of the actual acquisition cost, any selling expenses are deemed to be included therein and cannot be deducted separately from the sales price.

Finnish Limited Liability Companies

The following applies only to Finnish limited liability companies that are taxed on the basis of the Finnish Business Income Tax Act. As a general rule, a capital gain arising from the sale of shares is taxable income of a limited liability company.

Shares may be fixed assets, current assets, investment assets (only banking, insurance and pension institutions) or financial assets of a limited liability company. The taxation of a disposal of shares and loss of value varies according to the asset type for which the shares qualify. Shares may also qualify as non-business income source assets of a limited liability company. The Finnish Income Tax Act's provisions are applied to capital gains that have arisen from the sale of assets from non-business income sources.

The sales price of any sale of shares is generally included in the business income of a Finnish company. Correspondingly, the acquisition cost of shares is deductible from business income upon disposal of the shares. However, an exemption for capital gains on share disposals is available for Finnish companies, provided that certain strictly defined requirements are met. Under Section 6 b of the Finnish Business Income Tax Act (so called participation exemption), capital gains arising from the sale of shares that are part of the fixed assets of a selling company that is not engaged in private equity activities are not considered taxable business income and, correspondingly, capital losses incurred on the sale of such shares are not tax deductible provided that (i) the selling company has directly and continuously for at least one year owned at least 10 per cent of the share capital in the company whose shares are sold and such ownership has ended at the most one year before the sale of shares; (ii) the company whose shares have been sold is not a real estate or residential housing company or a limited liability company whose activities, *de facto*, mainly consist of ownership or possession of real estate; and (iii) the company whose shares are sold is resident in Finland, in another EU member state as specified in Article 2 of the Parent Subsidiary Directive (2011/96/EU, as amended) or in a country with which Finland has entered into a Tax Treaty that is applicable to dividends. Additionally, in Finnish case law it has also been required, among other things, that there is a business connection between the company disposing shares and the company whose shares are disposed of.

Tax deductible capital losses pertaining to the sale of shares (other shares than shares sold under the participation exemption) that are part of the fixed assets of the selling company can only be deducted from capital gains arising from the sale of fixed assets shares in the same fiscal year and the subsequent five years. Capital losses pertaining to the sale of shares that are not part of fixed assets are tax deductible from taxable income in the same fiscal year and the subsequent ten years in accordance with the general rules concerning losses carried forward.

Non-residents of Finland

Non-residents who are not generally liable for tax in Finland are usually not subject to Finnish taxes on capital gains realised on the sale of shares in a Listed Company, unless the non-resident taxpayer is deemed to have a permanent establishment in Finland for income tax purposes as referred to in the Finnish Income Tax Act and an applicable Tax Treaty and the shares are considered to be assets of that permanent establishment, or more than 50 per cent of the total assets of the transferred company comprised one or more real estate properties located in Finland.

Transfer Tax

Transfer tax is not payable in connection with the issuance of new shares.

There is no transfer tax payable in Finland on transfer of shares admitted to trading on Nasdaq Helsinki if the transfer is made against a fixed pecuniary consideration. The transfer tax exemption requires that an investment firm, a foreign investment firm or other party offering investment services, as defined in the Finnish Investment Services Act, is brokering or acting as a party to the transaction, or that the transferee has been approved as a trading party in the market in which the transfer is executed. Further, if the broker or the counterparty to the transaction is not a Finnish investment firm, Finnish credit institution, or a Finnish branch or office of a foreign investment firm or credit institution, the transfer tax exemption requires that the transferee submits a notification of the transfer to the Finnish Tax Administration within two months of the transfer, or that the broker submits an annual declaration regarding the transfer to the Finnish Tax Administration as set forth in the Finnish Act on Assessment Procedure. Certain separately defined transfers, such as those relating to equity investments or distribution of funds, are not covered by the transfer tax exemption.

No transfer tax is payable in connection with a merger carried out in accordance with the Finnish Companies Act when the merger consideration is fully paid in new shares of the acquiring company. In other words, under these circumstances, transfer tax is not payable on the new shares of the acquiring company issued to the shareholders of the merging company as merger consideration, on assets transferred from the merging company to the acquiring company, or for the shares in the merging company.

If the transfer or sale of the shares does not fulfil the above criteria for a tax exempt transfer, transfer tax at the rate of 1.6 per cent of the sales price is payable by the purchaser (or 2.0 per cent if the company is a housing company, mutual real estate company or other similar company). However, if the purchaser is neither a tax resident in Finland nor a Finnish branch or office of a foreign credit institution, investment firm or fund management company, the seller must collect the tax from the purchaser. If the broker is a Finnish stockbroker or credit institution, or a Finnish branch or office of a foreign stockbroker or credit institution, it is liable to collect the transfer tax from the purchaser and pay the tax to the state. If neither the purchaser nor the seller is tax resident in Finland or a Finnish branch or office of a foreign credit institution or foreign investment firm, the transfer of shares will be exempt from Finnish transfer tax. No transfer tax is collected if the amount of the tax is less than EUR 10.

Swedish Tax Considerations

The following is a summary of certain Swedish income tax considerations that may be relevant with respect to the Merger. The description below is applicable to both Swedish resident natural persons and limited liability companies for the purposes of Swedish domestic tax legislation relating to the receipt of shares in Nordea Finland as Merger Consideration, dividend distribution on shares in Nordea Finland and capital gains or capital loss arising from the sale of shares in Nordea Finland.

The description does not address tax considerations applicable to such Swedish resident shareholders that may be subject to special tax rules relating to, among others, different restructurings of corporations, controlled foreign corporations, non-business carrying entities, income tax exempt entities or general or limited partnerships. The description also does not address specific tax rules in relation to Swedish investment savings account (Sw: *investeringssparkonto*) or Swedish endowment insurance. Furthermore, the description does not address tax consequences relating to shares held for business purposes (Sw: *näringsbetingade andelar*) or shares held for trading purposes (Sw: *lagertillgång*).

Tax Implications of the Merger

Natural Persons Resident in Sweden

The receipt of the Merger Consideration by a Swedish resident natural person and the dissolution of Nordea Sweden will be considered a disposal of shares in Nordea Sweden. However, the Merger will not cause any immediate taxable capital gains or tax-deductible capital losses for natural persons who are domiciled or permanently stay in Sweden or in another country within the EEA in accordance with the rules regarding postponement of taxation (Sw: *framskjuten beskattning vid andelsbyten*). Each respective shareholder's acquisition cost for tax purposes of its shares in Nordea Sweden will be the acquisition cost for its shares in Nordea Finland received as Merger Consideration. There will be no need to report the exchange of shares in the Swedish tax return. Instead, taxation will occur when the Merger Consideration, or any part thereof, is disposed of, or if the shareholder ceases to be domiciled or permanently stay in Sweden or another country within the EEA. The Swedish board of advance rulings (Sw: *Skatterättsnämnden*) has deemed the rules regarding postponement of taxation to be applicable also in a down-stream merger.

Swedish Limited Liability Companies

Should a Swedish limited liability company realise a capital gain due to the Merger, a tax deferral may be claimed in the tax return in accordance with the rules on deferred capital gains taxation (Sw: *uppskovsgrundande andelsbyten*). If a deferral is granted, the capital gain will be determined by the Swedish Tax Agency in its tax assessment, in the form of a deferred tax amount, which must be allocated to the received Merger Consideration. If a tax deferral is granted, the deferred tax amount will be taxed at the latest when the shares received in the Merger are disposed or if the shares cease to exist. The deferred capital gain may at any time become taxable if the shareholder so claims in the tax return. Should the Merger result in a capital loss, such loss cannot be deferred in accordance with the above.

Nordea will request guidance from the Swedish Tax Agency regarding sales price of the shares in Nordea Sweden and the acquisition price of the shares in Nordea Finland received as Merger Consideration for tax purposes. The guidance will be published on the websites of the Swedish Tax Agency and Nordea when issued.

Taxation of Dividends

Following the completion of the Merger, dividends on shares in Nordea Finland will be subject to Finnish withholding tax generally at a rate of 15 per cent on the gross dividend in accordance with the Nordic Tax Treaty, unless special rules apply. See also “—*Finnish Tax Considerations—Taxation of Dividends*” above.

In addition to the Finnish withholding tax, dividends on shares in Nordea Finland will, unless special rules apply, be subject to Swedish income tax at a rate of 30 per cent (for natural persons) or 22 per cent (for Swedish limited liability companies) on the gross dividend. For natural persons, a preliminary tax of a maximum of 30 per cent will generally be withheld by either Euroclear Sweden or the shareholder's bank. The Finnish withholding tax will reduce the Swedish preliminary tax to be withheld (*e.g.*, if the Finnish withholding tax is 15 per cent the Swedish preliminary tax will be 15 per cent).

In order to avoid double taxation, shareholders resident in Sweden may in general receive a Swedish tax credit equal to 15 per cent for tax withheld in Finland. Should the tax withheld in Finland exceed 15 per cent, the shareholder can apply to the Finnish Tax Authority to reclaim the amount exceeding 15 per cent.

Capital Gains

General

Unless special rules apply, shareholders who are tax resident in Sweden and non-tax resident in Finland will not be subject to Finnish tax on capital gains upon a sale of shares in Nordea Finland, see “—*Finnish Tax Considerations—Capital Gains—Non-residents of Finland*” above. Instead, capital gains of shareholders tax resident in Sweden will be subject to Swedish taxes in accordance with the description below.

Natural Persons Resident in Sweden

Upon a sale of shares in Nordea Finland, natural persons will generally be taxed on the entire capital gain as income from capital. Tax will be charged at a rate of 30 per cent of the capital gain. The capital gain or loss is calculated as the difference between the selling price, less any selling expenses, and the acquisition cost for tax purposes of the divested shares. The acquisition cost for tax purposes for all shares in Nordea Finland are added together and calculated jointly by applying the so-called average method (Sw: *genomsnittsmetoden*). However, as the shares in Nordea Finland will be admitted to trading on Nasdaq Helsinki, Nasdaq Stockholm and Nasdaq Copenhagen, the so-called standard method (Sw: *schablonmetoden*) may be used as an alternative to the average method when calculating the acquisition cost for tax purposes. This implies that the acquisition cost for tax purposes may be calculated at 20 per cent of the selling price less selling expenses (*i.e.*, the net sale revenue).

Capital losses upon a sale of shares in Nordea Finland will be tax deductible. Such losses may be set off in their entirety against taxable capital gains on listed shares as well as the taxable part of capital gains on unlisted shares realised in the same year as the losses relating to the sale of shares in Nordea Finland. Set-off may also be made in full against taxable capital gains on other listed securities taxed as shares (*e.g.*, subscription rights), with the exception of units in investment funds containing only Swedish debt instruments. After any set-off, 70 per cent of the excess loss is deductible. If a net loss arises in the income from capital category, a reduction is granted of the tax on income from employment and business as well as property. Such a tax reduction is granted at a rate of 30 per cent of the net loss that does not exceed SEK 100,000 and 21 per cent of the net loss in excess thereof. Excess losses cannot be carried forward to a subsequent year.

Swedish Limited Liability Companies

Unless special rules apply, the applicable tax rate on capital gains is 22 per cent for Swedish limited liability companies. Capital gains are calculated in the same manner as set forth above with respect to natural persons (*i.e.*, by using the average method or the standard method). Deductions for capital losses on shares are granted only against taxable capital gains on shares and other securities taxed as shares. Provided that certain conditions are fulfilled, such capital losses may also be set off against taxable capital gains on shares and other securities taxed as shares in another company within the same group, on the condition that there is a right to make group contributions between this company and the company that has suffered the capital loss. Capital losses on shares and other securities taxed as shares that cannot be utilised during a certain fiscal year may be carried forward and set off against taxable capital gains on shares and other securities taxed as shares during subsequent fiscal years without any time limitation.

Transfer Tax

Sweden does not have a share transfer tax.

Danish Tax Considerations

The following is a summary of certain Danish income tax considerations that may be relevant with respect to the Merger. The description below is applicable to both Danish resident natural persons and limited liability companies for the purposes of Danish domestic tax legislation relating to the receipt of shares in Nordea Finland as Merger Consideration, dividend distributions on shares in Nordea Finland and capital gains arising from the sale of shares in Nordea Finland.

The description does not address tax considerations applicable to such Danish resident shareholders that may be subject to special tax rules relating to, among others, investors subject to the Danish Act on Pension Investment Return Taxation (*i.e.*, pension savings), professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments. The description also does not address specific tax rules in relation to Danish taxation of natural persons and companies who carry on a business of purchasing and selling shares.

Tax Implications of the Merger

Taxation of Nordea Denmark, branch of Nordea Sweden

For Danish tax purposes the Merger will be carried out on a tax neutral basis pursuant to act no. 1017 of 24 August 2015 (as amended) (*i.e.*, the Danish Merger Tax Act). This is relevant for Nordea Denmark, branch of Nordea Sweden, as all assets and liabilities allocated to the Danish branch will be transferred to Nordea Denmark, branch of Nordea Finland, on a tax neutral basis.

Taxation of Merger Consideration Received by Shareholders of Nordea Sweden

The receipt of the Merger Consideration in the form of shares in Nordea Finland by shareholders tax resident in Denmark is not considered a taxable transfer of shares in Nordea Sweden according to Danish tax law. The original acquisition cost of the shares in Nordea Sweden is considered to be the acquisition cost for the shares in Nordea Finland received as Merger Consideration, and the ownership period of the shares in Nordea Finland is calculated from the acquisition of the shares in Nordea Sweden.

Taxation of Dividends

Following the completion of the Merger, dividends on shares in Nordea Finland will be subject to Finnish withholding tax generally at a rate of 15 per cent on the gross dividend in accordance with the Nordic Tax Treaty, unless special rules apply. See also “—*Finnish Tax Considerations—Taxation of Dividends*” above.

In addition to the Finnish withholding tax, dividends on shares in Nordea Finland received by natural persons tax resident in Denmark will be taxed as share income, see “—*Capital Gains—Natural Persons Resident in Denmark*” below.

For Danish limited liability companies, dividends received on shares in Nordea Finland will, unless special rules apply, be subject to the standard corporate tax rate of 22 per cent.

In order to avoid double taxation, shareholders tax resident in Denmark may receive a Danish tax credit equal to 15 per cent for tax withheld in Finland. Should the tax withheld in Finland exceed 15 per cent, a reclaim may be applied for with the Finnish Tax Authority on the exceeding amount.

Capital Gains

General

Shareholders who are tax resident in Denmark and are not tax resident in Finland will not be subject to Finnish tax on capital gains upon a sale of shares in Nordea Finland, see “—*Finnish Tax Considerations—Capital Gains—Non-residents of Finland*” above. Instead, capital gains of shareholders tax resident in Denmark will be subject to Danish taxes, in accordance with the description below.

Natural Persons Resident in Denmark

Capital gains from the sale of shares are taxed as share income at a rate of 27 per cent on the first DKK 52,900 in 2018 (for cohabiting spouses, a total of DKK 105,800) and at a rate of 42 per cent on share income exceeding DKK 52,900 (for cohabiting spouses over DKK 105,800). Such amounts are subject to annual adjustments and include all share income (*i.e.*, all capital gains and dividends derived by the individual or cohabiting spouses).

Capital losses on the sale of shares admitted to trading on a regulated market can only be set off against other share income deriving from shares admitted to trading on a regulated market (*i.e.*, received dividends and capital gains on the sale of shares admitted to trading on a regulated market). Unused capital losses will be set off against a cohabiting spouse’s share income deriving from shares admitted to trading on a regulated market. Any remaining capital losses after the above deduction can be carried forward indefinitely and set off against future share income deriving from shares admitted to trading on a regulated market.

Capital losses on shares admitted to trading on a regulated market may only be set off against capital gains and dividends on other shares admitted to trading on a regulated market if the Danish Tax Authorities have received certain information concerning the ownership of the shares. This information is normally provided to the Danish Tax Authorities by the securities dealer.

Capital gains and losses on the sale of shares admitted to trading on a regulated market are calculated as the difference between the purchase price and the sale price. The purchase price is generally determined using the average method which means that each share is considered acquired at a price equivalent to the average acquisition price of all the shareholder’s shares in the issuing company.

Danish Limited Liability Companies

Taxation on the sale of shares by companies is subject to different regimes depending on the size of the shareholding. The below describes the taxation of listed shares for shareholdings below 10 per cent.

Capital gains from the sale of such shares are taxable at the corporate income tax rate of 22 per cent. Capital losses on such shares are generally deductible. Capital gains and losses are, as a general rule, calculated in accordance with the mark-to-market principle (*i.e.*, on an unrealised basis).

Transfer Tax

Denmark does not have a share transfer tax.

ADDITIONAL INFORMATION

No Material Adverse Change in Prospects or Significant Change in Financial or Trading Position

Since 31 December 2017, the date to which the latest audited consolidated financial statements of the Nordea Group were prepared, there has been no material adverse change in the prospects of the Nordea Group and no significant change in the financial or trading position of the Nordea Group.

DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during the period of validity of this Prospectus at the offices of Nordea Finland at Aleksis Kiven katu 7, FI-00020 Nordea, Helsinki, Finland, and at Nordea Sweden's head office located at Smålandsgatan 17, SE-105 71 Stockholm, Sweden, on weekdays during normal business hours:

- the articles of association of Nordea Sweden and Nordea Finland as at the date of this Prospectus;
- the 2015, 2016 and 2017 annual reports of Nordea Sweden;
- this Prospectus; and
- the decision of the FFSA regarding this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been incorporated by reference into this Prospectus according to Commission Regulation (EC) No. 809/2004, as amended, Article 28 and they form a part of the financial information of the Nordea Group. Should any of the documents incorporated by reference into this Prospectus themselves refer to or incorporate by reference any further information, such information is not incorporated by reference into and does not form a part of this Prospectus. During the period of validity of this Prospectus, the documents incorporated by reference are available at Nordea's website at www.nordea.com/en/investor-relations/calendar-and-events/annual-general-meeting/ and at the offices of Nordea Finland at Aleksis Kiven katu 7, FI-00020 Nordea, Helsinki, Finland, and at Nordea Sweden's head office located at Smålandsgatan 17, SE-105 71 Stockholm, Sweden, on weekdays during normal business hours.

- the auditor's reports and the audited consolidated financial statements and related notes of the Nordea Group (i) for the year ended and as of 31 December 2017, together with the comparative figures for the year ended and as of 31 December 2016 (set out on pages 73 to 175 and 232 to 235 of the 2017 annual report of Nordea Sweden); (ii) for the year ended and as of 31 December 2016, together with the comparative figures for the year ended and as of 31 December 2015 (set out on pages 71 to 173 and 228 to 231 of the 2016 annual report of Nordea Sweden); and (iii) for the year ended and as of 31 December 2015 (set out on pages 58 to 163 of the 2015 annual report of Nordea Sweden); and
- the auditor's reports and the audited financial statements and related notes of Nordea Sweden (i) for the year ended and as of 31 December 2017, together with the comparative figures for the year ended and as of 31 December 2016 (set out on pages 176 to 231 and 232 to 235 of the 2017 annual report of Nordea Sweden); (ii) for the year ended and as of 31 December 2016, together with the comparative figures for the year ended and as of 31 December 2015 (set out on pages 175 to 231 and 228 to 231 of the 2016 annual report of Nordea Sweden); and (iii) for the year ended and as of 31 December 2015 (set out on pages 164 to 213 of the 2015 annual report of Nordea Sweden).

SUOMENKIELINEN TIIVISTELMÄ

Tiivistelmät koostuvat sääntelyn edellyttämistä tiedoista, joita kutsutaan nimellä ”osatekijät”. Osatekijät on esitetty jaksoittain A–E (A.1–E.8).

Tämä tiivistelmä sisältää kaikki ne osatekijät, jotka kyseessä olevasta arvopaperista ja sen liikkeeseenlaskijasta tulee esittää. Osatekijöiden numerointi ei välttämättä ole juokseva, koska kaikkia osatekijöitä ei arvopaperin tai liikkeeseenlaskijan luonteen vuoksi ole esitettävä tässä tiivistelmässä.

Vaikka arvopaperin tai liikkeeseenlaskijan luonne edellyttäisi jonkin osatekijän sisällyttämistä tiivistelmään, on mahdollista, ettei kyseistä osatekijää koskevaa merkityksellistä tietoa ole lainkaan. Tällöin osatekijä on kuvattu lyhyesti ja sen yhteydessä mainitaan ”ei sovellu”.

Jakso A – Johdanto ja varoitukset

Osa- tekijä	Tiedonantovelvollisuus	Tiedonanto
A.1	Johdanto	Tätä tiivistelmää on pidettävä tämän Esitteen johdantona. Mahdollisten sijoittajien on perustettava Nordea Suomen osakkeita koskeva sijoituspäätöksensä tähän Esitteeseen kokonaisuutena. Jos tuomioistuimessa pannaan vireille tähän Esitteeseen sisältyviä tietoja koskeva kanne, kantajana toimiva sijoittaja voi jäsenvaltioiden kansallisen lainsäädännön mukaan joutua ennen oikeudenkäynnin vireillepanoa vastaamaan tämän Esitteen käännskustannuksista. Siviilioikeudellista vastuuta sovelletaan henkilöihin, jotka ovat jättäneet tämän tiivistelmän, sen käännsö mukaan luettuna, mutta vain jos tiivistelmä on harhaanjohtava, epätarkka tai epäjohdonmukainen suhteessa tämän Esitteen muihin osiin tai jos siinä ei anneta yhdessä tämän Esitteen muiden osien kanssa keskeisiä tietoja sijoittajien auttamiseksi, kun he harkitsevat Nordea Suomen osakkeisiin sijoittamista.
A.2	Suostumus arvopapereiden edelleenmyyntiin ja lopulliseen sijoittamiseen/ tarjousaika/ suostumuksen ehdot	Ei sovellu.

Jakso B – Liikkeeseenlaskija

Osa- tekijä	Tiedonantovelvollisuus	Tiedonanto
B.1	Virallinen nimi	<p>Tämän Esitteen päivämääränä Nordea Bank AB (publ) (eli Nordea Ruotsi) on Nordea-konsernin emoyhtiö. Nordea Ruotsin hallitus päätti 6.9.2017 käynnistää Nordea-konsernin emoyhtiön kotipaikan siirron Ruotsista Suomeen, joka on Euroopan unionin (”EU”) pankkiunionin jäsenmaa. Nordea Ruotsi odottaa tämän kotipaikan siirron edistävän asiakkaiden, osakkeenomistajien ja työntekijöiden etuja. Lisätietoja päätöksen taustalla olevista syistä ja odotetuista eduista liittyen tähän kotipaikan siirtoon on esitetty jäljempänä osatekijässä E.2a.</p> <p>Kotipaikan siirron ehdotetaan tapahtuvan Sulautumisena eli rajat ylittävällä käänteisellä absorptiosulautumisella, jonka seurauksena Nordea-konsernin tämänhetkinen emoyhtiö Nordea Ruotsi sulautuu Nordea Holding Oyj:öön, joka on vastaperustettu Nordea Ruotsin suomalainen tytäryhtiö. Nordea Suomi muuttaa nimensä Nordea Bank Oyj:ksi viimeistään Täytäntöönpanopäivänä. Sulautumisen seurauksena Nordea-konsernin emoyhtiö tulee olemaan Nordea Bank Oyj eli Nordea Suomi.</p> <p>Sulautumisen täytäntöönpano on ehdollinen muiden ehtojen ohella muun muassa sille, että Nordea Ruotsin varsinainen yhtiökokous on hyväksynyt Sulautumissuunnitelman; kaikki luvat, suostumukset ja muut asianomaisten viranomaisten päätökset, mukaan lukien EKP:n Nordea Suomea koskeva lupa harjoittaa pankkitoimintaa, tarjota sijoituspalveluita ja harjoittaa</p>

Jakso B – Liikkeeseenlaskija

Osa-tekijä	Tiedonantovelvollisuus	Tiedonanto
		<p>sijoitustoimintaa, on myönnetty; Nordea Suomen osakkeet on hyväksytty kaupankäynnin kohteeksi säännellyille markkinoille Nasdaq Tukholmaan, Nasdaq Helsinkiin ja Nasdaq Kööpenhaminaan, kun Sulautumisvastike annetaan; Sulautumista ei ole kielletty tai Nordea Ruotsin ja Nordea Suomen hallitusten mielestä hankaloitettu; ja Sulautumisen täytäntöönpano on rekisteröity Kaupparekisteriin. Sulautumisen täytäntöönpano arvioidaan rekisteröitävän vuoden 2018 toisella vuosipuolikkaalla, alustavasti 1.10.2018. Nordea Ruotsi purkautuu automaattisesti Sulautumispäivänä Sulautumisen seurauksena.</p>
B.2	Kotipaikka/ oikeudellinen muoto/ sovellettava laki/ perustamismaa	<p>Nordea Ruotsi on julkisen osakeyhtiön muodossa toimiva pankki, joka on perustettu Ruotsin lakien mukaan ja jonka kotipaikka on Ruotsi.</p> <p>Nordea Suomi on Suomessa perustettu julkinen osakeyhtiö, johon sovelletaan Suomen lakia ja jonka kotipaikka on Suomi. Nordea Suomi tulee Sulautumisen täytäntöönpanohetkestä lähtien olemaan julkisen osakeyhtiön muodossa toimiva pankki, ja siihen sovelletaan muiden lakien ohella lakia luottolaitostoinnasta (610/2014) ("Luottolaitoslaki") ja lakia liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista (1501/2001) ("Liikepankkilaki").</p>
B.3	Tämänhetkinen toiminnan luonne ja päätoimialat	<p>Nordea-konsernin päivittäinen liiketoiminta, mukaan lukien sen pohjoismaisilla kotimarkkinoilla, ei tule kotipaikan siirron myötä muuttumaan eikä päivittäiseen liiketoimintaan ole asiakkaiden näkökulmasta odotettavissa siitä johtuvia muutoksia.</p> <p>Nordea-konserni on kokonaistuotoissa mitattuna suurin rahoituspalveluita tarjoava konserni Pohjoismaiden markkinoilla (Tanska, Suomi, Norja ja Ruotsi), ja sillä on lisäksi liiketoimintaa Venäjällä ja Luxemburgissa sekä sivuliikkeitä useissa muissa kansainvälisissä kohteissa. Nordea-konsernilla on toimintaa myös Virossa, Latviassa ja Liettuaassa Nordean ja DNB ASA:n ("DNB") omistaman baltialaisen pankin Luminorin kautta, joka kattaa Nordea-konsernin ja DNB:n asiakkaat näillä kolmella markkinalla. Nordea uskoo, että Konsernilla on Pohjoismaiden markkinoilla sijaitsevista rahoituspalveluita tarjoavista konserneista laajin asiakaspohja yli 10 miljoonalla asiakkaalla niillä markkinoilla, joilla se toimii, käsittäen noin 9,6 miljoonaa yksityisasiakasta ja noin 0,6 miljoona yritysten ja instituutionaalista asiakasta 31.12.2017. Samalla päivämäärällä Nordea-konsernin varat yhteensä olivat 581,6 miljardia euroa ja ensisijainen pääoma (<i>tier 1 capital</i>) 28,0 miljardia euroa, ja se oli suurin Pohjoismaissa sijaitseva varallisuudenhoitaja 330,4 miljardin euron hoidettavana olevilla varoilla.</p> <p>Yleispankkina Nordea-konserni tarjoaa kokonaisvaltaisen valikoiman pankki- ja rahoituspalveluita ja -palveluita yksityis- ja yritysasiakkaille mukaan lukien rahoituslaitokset. Nordea-konsernin tuotteet ja palvelut muodostuvat laajasta valikoimasta yksityishenkilöiden pankkipalveluita mukaan lukien kiinnitys- ja kulutusluotot, luotto- ja pankkikortit sekä laaja valikoima säästö-, henkivakuutus- ja eläketuotteita. Lisäksi Nordea-konserni tarjoaa kattavan valikoiman yritysten pankkipalveluita, kuten yrityslainoja, kassanhallintaa, maksu- ja tilipalveluita, riskinhallintatuotteita ja neuvontapalveluita, velka- ja osakeliitännäisiä tuotteita maksuvalmius- ja pääomanhankintatarkoituksiin sekä yritysrahoitukseen, instituutiovarainhoidon palveluita ja yritysten henkivakuutus- ja eläketuotteita. Nordea-konserni tarjoaa myös yleisiä vakuutuspalveluita. Nordea-konsernilla on pohjoismaisten markkinoiden laajin jakeluverkosto, johon kuuluu noin 500 konttoria, jokaisella pohjoismaisella markkina-alueella sijaitsevia puhelinkeskuksia ja erittäin kilpailukykyinen verkkopankki.</p>

Jakso B – Liikkeeseenlaskija

Osa-tekijä	Tiedonantovelvollisuus	Tiedonanto
		<p>Nordea-konsernin tavoite ja visio on ollut toimia Pohjoismaissa ”One Nordea” -mallin mukaisesti. Toteuttaakseen tämän tavoitteen ja vision Nordea-konserni esitteli vuonna 2015 muutosohjelman, johon liittyivät muun muassa merkittävät investoinnit teknologiaan yhden, kaikki peruspankkituotteet kattavan järjestelmän luomiseksi. Nordea-konserni jatkaa ”One Nordea” -mallin ja tulevaisuuden pankkitoimintamallin toteuttamista entistä vahvemman yrityskulttuurin ja yhdenmukaisten käytäntöjen kautta. Toiminnassa keskitytään seuraaviin neljään pääalueeseen: selkeä asiakasvisio, yhteinen tapa työskennellä, yhteisten järjestelmien yksinkertaistaminen ja yhteiset arvot. Samansuuntaisesti tämän tavoitteen kanssa Nordea-konsernin strategiset painopistealueet sisältävät Nordea-konsernin asiakaskeskeisen organisaation vahvistamisen, digitalisaation ja jakelukanavien muutoksen, yksinkertaistamisen, sekä luottamuksen ja vastuullisuuden.</p>
B.4a	Merkittävät viimeaikaiset suuntaukset, jotka vaikuttavat liikkeeseenlaskijaan ja sen toimialaan	<p>Nordea-konsernin toimintakykyyn vaikuttavat merkittävästi, ja tulevat myös kotipaikan siirron ja Sulautumisen jälkeen merkittävästi vaikuttamaan, yleiset taloudelliset olosuhteet maissa, joissa sillä on toimintaa, ja erityisesti Pohjoismaiden markkinat (Tanska, Suomi, Norja ja Ruotsi) sekä vähäisemmässä määrin Venäjä, ja Baltian maat Nordean Luminor-omistuksen kautta (Luminor on Nordean ja DNB:n omistama baltialainen pankki, joka muodostaa Nordean ja DNB:n asiakaskunnan Virossa, Latviassa ja Liettuaassa). Taloudelliset olosuhteet Pohjoismaissa ovat viime vuosina kehittyneet yleisesti suotuisammin muuhun Eurooppaan verrattuna, ja Pohjoismaat ovat hyötynet yleisestä vakaasta julkisesta taloudesta. Alueen maiden välillä on kuitenkin ollut eroavaisuuksia. Ruotsin talous kasvoi yli 3 prosenttia vuonna 2015. Tanskan talous kasvoi tasaisesti vuoden 2015 alussa, mutta kasvu hidastui jonkin verran vuoden 2015 jälkipuoliskolla. Norjan talous kasvoi vuoden 2015 alussa, mutta öljyn hinnan kiihtynyt heikkeneminen vaikutti Norjan talouteen yhä enenevässä määrin myöhemmin samana vuonna. Suomen talous jatkoi vaimumpana vuonna 2015 kasvuvauhdin vaihdellessa positiivisen ja negatiivisen välillä vuoden aikana. Vuonna 2016 Pohjoismaiden talouksien kehitykselle oli tunnusomaista niiden poikkeavuus toisistaan. Ruotsin kehitys jatkui vahvana kasvun ylittäessä jälleen 3 prosenttia. Tanskan talous kasvoi aluksi vakaasti, mutta kasvu hidastui jonkin verran vuoden 2016 jälkipuoliskolla. Tästä huolimatta koko vuoden kehitys oli positiivista jatkaen asteittain paranevaa kehityssuuntaa. Norjan talous jatkoi kasvua vuoden 2016 alussa, mutta öljyn hinnan heikkenemisellä oli siihen asteittain haitallinen vaikutus. Vaikkakin Suomen talous kasvoi vuonna 2016, Suomen talouden kehitys säilyi hillittynä kasvuvauhdin vaihdellessa positiivisen ja negatiivisen välillä vuosineljänneksestä riippuen. Maailmantalouden kasvu kiihtyi vuonna 2017 kohtuullisesti kasvaneen inflaation ja rahoitusmarkkinoiden alhaisen volatilitiitin vuoksi. Vuonna 2017 omaisuusserien hinnat nousivat vahvasti maailmanlaajuisesti ja rahoitusmarkkinoiden volatilitiitti oli erittäin alhaista tietyistä huolestuttavista geopoliittisista kehityssuunnista huolimatta. Keskuspankkien tuki säilyi vahvana. Yhdysvaltain talous kasvoi vakaalla nopeudella ja sen keskuspankki jatkoi korkopolitiikan normalisointia. Euroopan talouden kasvu oli korkeimmillaan vuoden 2011 jälkeen, ja kasvua tukivat matalat korkokannat, työttömyyden lasku ja vahva kotimarkkinoiden kysyntä. Kehittyvien markkinoiden kasvuun liittyvät huolenaiheet jatkoivat hälvemistä, sillä maailmankaupan aktiivisuus lisääntyi ja hyödykkeiden hinnat nousivat. Vuonna 2017 Pohjoismaiden taloudet kasvoivat samanaikaisesti ensimmäistä kertaa moniin vuosiin. Ruotsin taloustilanne pysyi vahvana yli 2,5 prosentin kasvullaan, kun taas Tanskan talous kasvoi 2 prosentilla huolimatta kolmannella vuosineljänneksellä negatiivista kasvua aiheuttaneista väliaikaisista tekijöistä. Kasvu lähti käyntiin myös Norjassa öljyn hinnan elpymisen ja matalan työttömyyden tukemana. Suomen talous kasvoi yli 3 prosentilla</p>

Jakso B – Liikkeeseenlaskija

Osa- tekijä	Tiedonantovelvollisuus	Tiedonanto
		vahvan kotimaisen kysynnän ja lisääntyneen viennin vauhdittamana. Krimin ja itäisen Ukrainan alueen kriisillä on ollut negatiivinen vaikutus Venäjän talouteen viime vuosina.
B.5	Konsernirakenne	Nordea-konserniin kuuluvat emoyhtiö Nordea Ruotsi ja sen konsolidoidut tytäryhtiöt. Sulautumisen täytäntöönpanon seurauksena Nordea Suomesta tulee Nordea-konsernin emoyhtiö.
B.6	Ilmoitettavat omistussuudet	<p>Nordea Ruotsin osakkeenomistajat saavat sulautumisvastikkeena yhden Nordea Suomen osakkeen jokaista Täytäntöönpanopäivänä omistamaansa Nordea Ruotsin osaketta kohden (eli Sulautumisvastike) tarkoittaen, että Sulautumisvastike annetaan Nordea Ruotsin osakkeenomistajille heidän olemassa olevan osakeomistuksensa mukaisessa suhteessa vaihtosuhteella 1:1. Tästä syystä Nordea Suomen omistus pohja on välittömästi Sulautumisen täytäntöönpanon jälkeen sama kuin Nordea Ruotsin omistus pohja välittömästi ennen Sulautumisen täytäntöönpanoa.</p> <p>Siltä osin kuin Nordea Ruotsi on tietoinen, seuraavat osakkeenomistajat omistavat 31.1.2018 suoraan tai välillisesti Nordea Ruotsin osakepääomasta tai äänioikeuksista sellaisen osuuden, joka tulee Ruotsin lain ja Suomen lain mukaan ilmoittaa:</p>

	Osakkeiden lukumäärä (miljoonaa)	Prosenttia osakkeista ja äänistä ⁽¹⁾
Sampo Oyj.....	860,4	21,3

(1) Pois lukien pitkän aikavälin kannustinjärjestelmissä ("LTIP") liikkeeseenlasketut osakkeet.

Jakso B – Liikkeeseenlaskija

Osa- tekijä	Tiedonantovelvollisuus	Tiedonanto
B.7	Valikoidut historialliset keskeiset taloudelliset tiedot	Valikoidut taloudelliset ja muut tiedot Nordea-konsernista

Alla esitettävät valikoidut konsernin tuloslaskelma- ja tasetiedot ovat peräisin tähän Esitteeseen viittaamalla sisällytetyistä Nordea-konsernin 31.12.2015, 31.12.2016 ja 31.12.2017 päättyneiltä tilikausilta laadituista tilintarkastetuista konsernitilinpäätöksistä, sekä 31.12.2016 päättyneeltä tilikaudelta laaditun tilintarkastetun konsernitilinpäätöksen oikaistuista tilintarkastamattomista vertailutiedoista 31.12.2015 päättyneeltä tilikaudelta. Nämä tilinpäätökset on laadittu Euroopan komission käyttöönottamien kansainvälisten tilinpäätösstandardien ("IFRS") mukaisesti. Nordea Suomi, josta tulee Nordea-konsernin emoyhtiö Sulautumisen täytäntöönpanon jälkeen, rekisteröitiin Kaupparekisteriin 27.9.2017 ja sitä koskevia historiallisia taloudellisia tietoja ei ole laadittu. Tähän Esitteeseen viittaamalla sisällytetyt Nordea-konsernin tilintarkastetut konsernitilinpäätökset on laadittu Nordea-konsernille Nordea Ruotsin ollessa sen emoyhtiö. Koska Sulautumista käsitellään Nordea-konsernin konsernitilinpäätöksessä konsernin sisäisenä uudelleenjärjestelynä, Sulautuminen ei konsernin sisäisenä transaktion muuta IFRS:n mukaista raportoivaa yhteisöä. Näin ollen Nordea-konsernin uuden emoyhtiön Nordea Suomen konsernitilinpäätökset tulevat heijastamaan kirjanpitoarvojen jatkuvuutta Nordea-konsernin aiemman emoyhtiön Nordea Ruotsin konsernitilinpäätöksistä, jotka on viittaamalla sisällytetty tähän Esitteeseen.

Valikoidut konsernin tuloslaskelmatiedot

	1.1.–31.12.		
	2015	2016	2017
	(miljoonaa euroa, ellei toisin ilmoitettu)		
Rahoituskate	4 963 ⁽¹⁾	4 727	4 666
Palkkiotuotot ja -kulut, netto	3 230 ⁽¹⁾	3 238	3 369
Nettotulos käypään arvoon arvostettavista eristä	1 645 ⁽¹⁾	1 715	1 328
Osuus osakkuusyritysten tuloksesta	39	112	23
Muut liiketoiminnan tuotot	263	135	83
Liiketoiminnan tuotot yhteensä	10 140	9 927	9 469
Hallintokulut:			
Henkilöstökulut	-3 263	-2 926	-3 212
Muut kulut	-1 485	-1 646	-1 622
Poistot ja arvonalentumiset aineellisista ja aineettomista hyödykkeistä	-209	-228	-268
Liiketoiminnan kulut yhteensä	-4 957	-4 800	-5 102
Tulos ennen arvonalentumistappioita	5 183	5 127	4 367
Arvonalentumistappiot luotoista, netto	-479	-502	-369
Liikevoitto	4 704	4 625	3 998
Tuloverot	-1 042	-859	-950
Tilikauden tulos	3 662	3 766	3 048
Josta:			
Nordea Bank AB:n (publ) osakkeenomistajien osuus	3 662	3 766	3 031
Määräysvallattomien omistajien osuus	–	–	17
Yhteensä	3 662	3 766	3 048
Laimentamaton osakekohtainen tulos, euroa	0,91	0,93	0,75
Laimennusvaikutuksilla oikaistu osakekohtainen tulos, euroa	0,91	0,93	0,75

(1) Johtuen (i) vuonna 2016 Tanskassa tapahtuneesta kiinnitysluottojen yhteydessä saatujen uudelleenrahoitus- ja maksupalkkioiden uudelleenluokittelusta erästä "nettotulos käypään arvoon arvostettavista eristä" erään "palkkiotuotot ja -kulut, netto" ja (ii) vuonna 2016 tapahtuneesta valtion takausmaksujen uudelleenluokittelusta erästä "palkkiotuotot ja -kulut, netto" erään "rahoituskate", Nordea-konserni oikaisi 31.12.2015 päättyneiltä tilikautta koskevat vertailuluvut, jotka sisältyvät Nordea-konsernin 31.12.2016 päättyneeltä tilikaudelta laadittuun tilintarkastettuun konsernitilinpäätökseen. Tässä esitetyt oikaistut luvut 31.12.2015 päättyneeltä tilikaudelta ovat tilintarkastamattomia. Oikaisematon tilintarkastettu rahoituskate oli 5 110 miljoonaa euroa, palkkiotuotot ja -kulut, netto, oli 3 025 miljoonaa euroa ja nettotulos käypään arvoon arvostettavista eristä 1 703 miljoonaa euroa 31.12.2015 päättyneellä tilikaudella.

Jakso B – Liikkeeselaskija

Valikoidut konsernitasetiedot

	31.12.		
	2015	2016	2017
	(miljoonaa euroa)		
Käteiset varat ja keskuspankkitalletukset	35 500	32 099	43 081
Saamiset keskuspankeilta	13 224	11 235	4 796
Saamiset luottolaitoksilta	10 762 ⁽¹⁾	9 026	8 592
Luotot yleisölle	340 920	317 689	310 158
Korolliset arvopaperit	86 535 ⁽¹⁾	87 701	75 294
Vakuudeksi annetut rahoitusinstrumentit	8 341	5 108	6 489
Osakkeet ja osuudet	22 273 ⁽¹⁾	21 524	17 180
Varat sijoitussalkuissa ja sijoitussidonnaisissa sopimuksissa	20 434 ⁽¹⁾	23 102	25 879
Johdannaissopimukset	80 741	69 959	46 111
Muut ⁽²⁾	28 138 ⁽¹⁾	29 319	21 846
Myytäväinä olevat omaisuuserät ⁽³⁾	-	8 897	22 186
Varat yhteensä	646 868	615 659	581 612
Velat luottolaitoksille	44 209	38 136	39 983
Yleisön talletukset ja muut velat yleisölle	189 049 ⁽⁴⁾	174 028	172 434
Talletukset sijoitussalkuihin ja sijoitussidonnaisiin sopimuksiin ⁽⁴⁾	21 088	23 580	26 333
Vastuut vakuutusentottajille	38 707 ⁽⁴⁾	41 210	19 412
Yleiseen liikkeeseen lasketut velkakirjat	201 937	191 750	179 114
Johdannaissopimukset	79 505	68 636	42 713
Muut ⁽⁵⁾	41 341 ⁽⁴⁾	41 021	42 276
Myytäväinä oleviin omaisuuseriin liittyvät velkaerät ⁽³⁾	-	4 888	26 031
Velat yhteensä	615 836	583 249	548 296
Oma pääoma yhteensä	31 032	32 410	33 316
josta ensisijaisen lisäpääoman omistajien osuudet	-	-	750
josta määräysvallattomien omistajien osuudet	1	1	168
Velat ja oma pääoma yhteensä	646 868	615 659	581 612

- (1) Vuonna 2016 Nordea-konserni uudelleenluokitteli tietyt korolliset arvopaperit sekä osakkeet ja osuudet erilliseksi tase-eräksi "varat sijoitussalkuissa ja sijoitussidonnaisissa sopimuksissa" erottaakseen ne varoista, joiden sijoitusriskistä Nordea-konserni vastaa. Johtuen tästä uudelleenluokittelusta Nordea-konserni oikaisi 31.12.2015 vertailuluvut eristä "saamiset luottolaitoksilta", "korolliset arvopaperit", "osakkeet ja osuudet", "sijoituskiinteistöt" ja "muu varallisuus", jotka sisältyvät Nordea-konsernin 31.12.2016 päättyneeltä tilikaudelta laadittuun tilintarkastettuun konsernitilinpäätökseen. Tässä esitetyt oikaistut luvut 31.12.2015 ovat tilintarkastamattomia. Vastaavat tilintarkastetut oikaisemattomat saamiset luottolaitoksilta olivat 10 959 miljoonaa euroa, korolliset arvopaperit olivat 88 176 miljoonaa euroa, osakkeet ja osuudet olivat 40 745 miljoonaa euroa ja muut (joka tarkoittaa yllä olevassa taulukossa oikaisujen vuoksi 111 miljoonalla eurolla alentunutta sijoituskiinteistöjen arvoa ja 13 miljoonalla eurolla alentunutta muiden varojen arvoa) olivat 28 262 miljoonaa euroa 31.12.2015.
- (2) Sisältää korkoriskin suojaavien erien käyvän arvon muutokset, osakkuusyritysten osakkeet ja osuudet, aineettomat hyödykkeet, aineelliset hyödykkeet, sijoituskiinteistöt, laskennalliset verosaamiset, verosaamiset, eläkesaamiset, siirtosaamiset ja maksetut ennakot ja muut varat, jotka sisältävät saamiset arvopapereiden selvityksestä, annetut marginaalivakuudet ja muut.
- (3) Myytävänä olevat omaisuuserät ja vastuut 31.12.2017 liittyvät Nordean päätökseen myydä 45 prosenttia Danish Nordea Liv & Pension Livsforsikringsselskab A/S:n osakkeista. Myytävänä olevat omaisuuserät ja vastuut 31.12.2016 sisältävät Nordea-konsernin Baltian toiminnot ja lainanannon henkilöasiakkaille Venäjällä. Luovutettaviin eriin liittyvät varat ja vastuut esitetään erillisinä tase-erinä "myytävänä olevat omaisuuserät" ja "myytävänä oleviin omaisuuseriin liittyvät velkaerät" luokittelupäivämäärästä alkaen.
- (4) Edellä olevassa alaviiteessä (1) esitettyjen tilinpäätöksen laatimisperiaatteiden muutosten seurauksena Nordea-konserni uudelleenluokitteli vuonna 2016 velat, jotka vastaavat varoja sijoitussalkuissa ja sijoitussidonnaisissa sopimuksissa, erilliseksi tase-eräksi "talletukset sijoitussalkuihin ja sijoitussidonnaisiin sopimuksiin". Uudelleenluokittelu johtui siitä, että nämä vastuut käyttäytyvät toisin kuin asiakkaiden tavanomaiset talletukset. Johtuen tästä uudelleenluokittelusta, Nordea-konserni oikaisi 31.12.2015 vastuuta koskevat vertailuluvut eristä "yleisön talletukset ja muut velat yleisölle", "vastuut vakuutusentottajille" ja "muut", jotka sisältyvät Nordea-konsernin 31.12.2016 päättyneeltä tilikaudelta laadittuun tilintarkastettuun konsernitilinpäätökseen. Tässä esitetyt oikaistut luvut 31.12.2015 ovat tilintarkastamattomia. Vastaavat tilintarkastetut oikaisemattomat yleisön talletukset ja muut velat yleisölle olivat 193 342 miljoonaa euroa, vastuut vakuutusentottajille olivat 55 491 miljoonaa euroa ja muut (joka tarkoittaa yllä olevassa taulukossa oikaisujen vuoksi 11 miljoonalla eurolla pienentyneitä muita velkoja) olivat 41 352 miljoonaa euroa 31.12.2015.
- (5) Sisältää korkoriskin suojaavien erien käyvän arvon muutokset, verovastuut, siirtovelat ja saadut ennakot, laskennalliset verosaamiset, varaukset, eläkevelat, etuoikeudettomat velat ja muut velat, joihin kuuluvat velat arvopapereiden selvityksestä, lyhyeksi myydyt arvopaperit, ostovelat, saadut marginaalivakuudet ja muut.

Jakso B – Liikkeeseenlaskija

Keskeiset sääntelyn mukaiset ja taloudelliset tunnusluvut⁽¹⁾

	1.1.–31.12. ja 31.12.		
	2015	2016	2017
Keskeiset sääntelyn mukaiset tunnusluvut			
Luottotappiotaso, pistettä ⁽²⁾	14	15	12
Ydinvakavaraisuussuhde (CET1), ilman Basel I -lattiasäännöksiä ⁽³⁾⁽⁴⁾ , prosenttia	16,5	18,4	19,5
Vakavaraisuussuhde; ensisijainen pääoma (tier 1 capital), ilman Basel I -lattiasäännöksiä ⁽³⁾⁽⁴⁾ , prosenttia	18,5	20,7	22,3
Vakavaraisuussuhde, ilman Basel I -lattiasäännöksiä ⁽³⁾⁽⁴⁾ , prosenttia	21,6	24,7	25,2
Ensisijainen pääoma (tier 1 capital) ⁽³⁾⁽⁴⁾ , miljardia euroa	26,5	27,6	28,0
Riskipainotetut erät (REA), ilman Basel I -lattiasäännöksiä ⁽³⁾ , miljardia euroa	143	133	126
Taloudellinen pääoma ⁽⁴⁾ , miljardia euroa	25,0	26,3	26,7
Keskeiset taloudelliset tunnusluvut			
Oman pääoman tuotto ⁽⁵⁾ , prosenttia	12,2	12,3	9,5
Kulu/tuotto-suhde, ilman vertailukelpoisuuteen vaikuttavia eriä, prosenttia	47	50	54
ROCAR, ilman vertailukelpoisuuteen vaikuttavia eriä ⁽⁶⁾ , prosenttia	14,8	13,2	11,1
Osakekohtaiset ja muut tunnusluvut			
Osakehintaa ⁽⁴⁾ , euroa	10,15	10,60	10,09
Osakkeenomistajan tuotto, prosenttia	8,2	16,3	3,6
Ehdotettu/toteutunut osakekohtainen osinko, euroa	0,64	0,65	0,68
Osakekohtainen oma pääoma ⁽⁴⁾ , euroa	7,69	8,03	8,21
Ulkona olevat potentiaaliset osakkeet ⁽⁴⁾ , miljoonaa	4 050	4 050	4 050
Laimennettujen osakkeiden painotettu keskiarvo, miljoonaa	4 031	4 037	4 039
Henkilöstö (kokopäiväistä työntekijää) ⁽⁴⁾	29 815	31 596	30 399

(1) Tunnuslukujen ja muiden keskeisten termien määritelmistä, katso ”—Sääntelyn mukaisten tunnuslukujen määritelmät” ja ”—Keskeisten taloudellisten tunnuslukujen määritelmät” jäljempänä.

(2) Sisältäen myytävänä olevina omaisuuserinä raportoidut luotot yleisölle vuonna 2016.

(3) Sisältäen tilikauden tuloksen.

(4) 31.12.

(5) Nordea-konsernin oman pääoman tuotto, ilman vertailukelpoisuuteen vaikuttavia eriä oli 9,5 prosenttia vuonna 2017, 11,5 prosenttia vuonna 2016 ja 12,3 prosenttia vuonna 2015.

(6) ROCAR, ilman vertailukelpoisuuteen vaikuttavia eriä on oikaistu vuonna 2016 keskimääräisen taloudellisen pääoman muuttuneen määritelmän vuoksi.

Sääntelyn mukaisten tunnuslukujen määritelmät

Seuraavassa esitetään määritelmät termeille ja keskeisille sääntelyn mukaisille tunnusluvuille, jotka on esitetty osiossa ”—Keskeiset sääntelyn mukaiset ja taloudelliset tunnusluvut” edellä.

Luottotappiotaso, pistettä..... Vuositason arvonalentumistappioiden osuus vuoden lopun luotonannosta, pistettä.

Ydinvakavaraisuussuhde (CET1) ... Ydinpääoman (CET1) suhde riskipainotettuihin eriin (REA) prosentteina.

Vakavaraisuussuhde; ensisijainen pääoma (tier 1 capital) Ensisijaisen pääoman (tier 1 capital) suhde riskipainotettuihin eriin (REA) prosentteina.

Vakavaraisuussuhde..... Omien varojen suhde riskipainotettuihin eriin (REA) prosentteina.

Omat varat Omat varat on määritelty CRR:n (kuten määritelty jäljempänä) 72 artiklassa ja ne koostuvat ensisijaisesta (tier 1 capital) ja toissijaisesta pääomasta.

Ensisijainen pääoma (tier 1 capital)..... Ensisijainen pääoma (tier 1 capital) on määritelty CRR:n 25 artiklassa ja se koostuu instituution ydinpääomasta (CET1) ja ensisijaisesta lisäpääomasta (additional tier 1 capital). Ydinpääoma (CET1) on määritelty CRR:n 50 artiklassa ja se koostuu konsernin omasta pääomasta, josta on vähennetty sijoitukset vakuutusyhtiöihin, ehdotettu osinko, laskennalliset verosaamiset, pankkitoimintaan kuuluvat aineettomat hyödykkeet, odotettu alijäämä (odotettujen arvonalentumistappioiden ja varausten negatiivinen erotus) ja muut vähennykset, kuten rahavirran suojaukset.

Riskipainotetut erät (REA) Riskipainotetut erät (REA) on määritelty CRR:n 92.3 artiklassa. Taseen varojen yhteensä ja taseen ulkopuolisten erien vakavaraisuussäännösten mukaisesti laskettu summa, jossa on otettu huomioon luotto- ja markkinariskit sekä Nordea-konsernin operatiiviset riskit. Summaan ei sisällytetä vakuutusyhtiöiden varallisuutta, omista varoista vähennettyjen osakkeiden kirjanpitoarvoa eikä aineettomia hyödykkeitä.

Jakso B – Liikkeeseenlaskija

Taloudellinen pääoma..... Taloudellinen pääoma on sisäisesti johdettu pääoman määrä yhtiön vakavaraisuuden varmistamiseksi. Lähestymistapa sisältää sekä pilarin 1 että pilarin 2 pääoman, joka perustuu 99,9 prosentin luottamusmittaukseen.

Keskeisten taloudellisten tunnuslukujen määritelmät

Seuraavassa esitetään määritelmät termeille ja keskeisille taloudellisille tunnusluville, jotka on esitetty osiossa ”—Keskeiset sääntelyn mukaiset ja taloudelliset tunnusluvut” edellä.

Oman pääoman tuotto, prosenttia ... Tilikauden tulos prosentteina keskimääräisestä omasta pääomasta vuoden aikana. Omaan pääomaan sisältyvä ensisijainen lisäpääoma on laskelmassa luokiteltu rahoitusvelaksi. Tilikauden tulos on ilman määräysvallattomien omistajien osuutta ja ensisijaiseen lisäpääomaan liittyviä korkokuluja (harkinnanvaraiset jaksotetut korot). Keskimääräiseen omaan pääomaan lasketaan tilikauden tulos ja maksamattomat osingot, mutta siihen ei lasketa määräysvallattomien omistajien osuutta ja ensisijaista lisäpääomaa.

Kulu/tuotto-suhde, ilman

vertailukelpoisuuteen

vaikuttavia eriä

Liiketoiminnan kulut, ilman vertailukelpoisuuteen vaikuttavia eriä suhteessa liiketoiminnan tuottoihin ilman vertailukelpoisuuteen vaikuttavia eriä prosentteina.

ROCAR (taloudellisen pääoman

riskisopeutettu tuotto), ilman

vertailukelpoisuuteen

vaikuttavia eriä, prosenttia.....

Tilikauden tulos ilman vertailukelpoisuuteen vaikuttavia eriä, prosentteina taloudellisesta pääomasta.

Vertailukelpoisuuteen vaikuttavat

erät

Merkittävät erät, joilla on vaikutusta eri vuosien väliseen vertailtavuuteen, kuten merkittävät myyntivoitot liiketoimintojen myynneistä, uudelleenjärjestelykulut sekä eläkejärjestelmien muutoksista aiheutuneet tuotot tai kulut.

Tiettyjen keskeisten taloudellisten tunnuslukujen täsmäyttäminen

Seuraavassa taulukossa esitetään vertailukelpoisuuteen vaikuttavien erien erittely ja kulu/tuotto-suhteen laskeminen ilman vertailukelpoisuuteen vaikuttavia eriä 31.12.2015, 31.12.2016 ja 31.12.2017 päättyneillä tilikausilla:

	1.1.–31.12.		
	2015	2016	2017
	(miljoonaa euroa, ellei toisin ilmoitettu)		
Vertailukelpoisuuteen vaikuttavat erät, ennen veroja:			
Myyntivoitto Nordean kauppiaaspalvelutoiminnan myynnistä Nets Holding A/S:lle	176	–	–
Myyntivoitto liittyen Visa Europe Ltd:n myyntiin Visa Inc.:lle	–	173	–
Uudelleenjärjestelymenot	-263	–	–
Norjassa tapahtunut eläkesopimuksen muutos	–	86	–
Vertailukelpoisuuteen vaikuttavat erät yhteensä, ennen veroja	-87	259	–
Liiketoiminnan kulut yhteensä	-4 957	-4 800	-5 102
Liiketoiminnan kuluihin sisältyvät vertailukelpoisuuteen vaikuttavat erät yhteensä	263	-86	–
Liiketoiminnan kulut yhteensä ilman vertailukelpoisuuteen vaikuttavia eriä	-4 694	-4 886	-5 102
Liiketoiminnan tuotot yhteensä	10 140	9 927	9 496
Liiketoiminnan tuottoihin sisältyvät vertailukelpoisuuteen vaikuttavat erät yhteensä	-176	-173	–
Liiketoiminnan tuotot yhteensä ilman vertailukelpoisuuteen vaikuttavia eriä	9 964	9 754	9 496
Kulu/tuotto-suhde, ilman vertailukelpoisuuteen vaikuttavia eriä, prosenttia	47	50	54

Jakso B – Liikkeeseenlaskija

Seuraavassa taulukossa esitetään Nordean määrittämän ROCAR, ilman vertailukelpoisuuteen vaikuttavia eriä -tunnusluvun laskenta 31.12.2015, 31.12.2016 ja 31.12.2017 päättyneillä tilikausilla:

	1.1.–31.12.		
	2015	2016	2017
	(miljoonaa euroa, ellei toisin ilmoitettu)		
Tilikauden tulos.....	3 662	3 766	3 048
Vertailukelpoisuuteen vaikuttavat erät, verovaikutus huomioon otettuna	29	-227	–
Tilikauden tulos ilman vertailukelpoisuuteen vaikuttavia eriä.....	3 691	3 539	3 048
Keskimääräinen taloudellinen pääoma	25 005	26 773	27 342
ROCAR, ilman vertailukelpoisuuteen vaikuttavia eriä⁽¹⁾, prosenttia.....	14,8	13,2	11,1

(1) ROCAR, ilman vertailukelpoisuuteen vaikuttavia eriä on oikaistu vuonna 2016 keskimääräisen taloudellisen pääoman muuttuneen määritelmän vuoksi.

Jakso B – Liikkeeseenlaskija

Osa-tekijä	Tiedonantovelvollisuus	Tiedonanto
B.8	Valikoidut keskeiset pro forma -taloudelliset tiedot	Ei sovellu. Tämä Esite ei sisällä pro forma -taloudellisia tietoja.
B.9	Tulosennuste	Ei sovellu. Tämä Esite ei sisällä tulosennustetta.
B.10	Historiallisia taloudellisia tietoja koskevassa tilintarkastuskertomuksessa mahdollisesti esitettyjen muistutusten luonne	Ei sovellu. Historiallisia taloudellisia tietoja koskevissa tilintarkastuskertomuksissa ei ole esitetty muistutuksia.
B.11	Käyttöpääoma	Ei sovellu. Nordean arvion mukaan Konsernin käyttöpääoma (eli sen valmius saada käteistä ja muut saatavilla olevat likvidit varat) riittää kattamaan sen vastuut, jotka erääntyvät tämän Esitteen päivämäärää seuraavan 12 kuukauden aikana.

Jakso C – Arvopaperit

Osa-tekijä	Tiedonantovelvollisuus	Tiedonanto
C.1	Kaupankäynnin kohteeksi otettavien arvopapereiden tyyppi ja laji	Nordea Suomella on yksi osakesarja, jonka ISIN-tunnus on FI4000297767. Nordea Suomen tämänhetkisen ja sen luottolaitoksen toimiluvan myöntämisen jälkeisen yhtiöjärjestyksen mukaan Nordea Suomi voi laskea liikkeeseen vain yhden osakesarjan.
C.2	Arvopapereiden liikkeeseenlaskun valuutta	Euro.
C.3	Liikkeeseenlaskettujen osakkeiden lukumäärä/ osakekohtainen nimellisarvo	Tämän Esitteen päivämääränä Nordea Suomen osakepääoma on 5 000 000 euroa koostuen yhdestä osakkeesta. Sulautumisen täytäntöönpanon jälkeen Nordea Suomen osakepääoma korotetaan 4 049 951 919 euroon ja osakkeiden lukumäärä korotetaan vastaamaan Sulautumisvastiketta. Nordea Suomi aikoo järjestää itselleen suunnatun osakeannin ennen Sulautumisen täytäntöönpanoa osakeperusteisen kannustinjärjestelmän toteuttamiseksi. Suunnatussa osakeannissa liikkeeseen laskettavien omien osakkeiden määrä vastaa Nordea Ruotsin omien osakkeiden määrää Täytäntöönpanopäivänä.
C.4	Arvopapereihin liittyvät oikeudet	Yleistä Nordea Suomi on Suomessa perustettu julkinen osakeyhtiö ja siihen sovelletaan muiden lakien ohella osakeyhtiölakia (624/2006) ("Osakeyhtiölaki"). Nordea Suomi tulee Sulautumisen täytäntöönpanohetkellä olemaan julkisen osakeyhtiön muodossa oleva

Jakso C – Arvopaperit

Osa- tekijä	Tiedonantovelvollisuus	Tiedonanto
		<p>pankki, ja sellaisena siihen sovelletaan muiden lakien ohella Luottolaitoslakia sekä Liikepankkilakia.</p> <p>Nasdaq Helsingin sääntöjen mukaan kaikkien niiden liikkeeseenlaskijoiden, joiden osakkeet ovat kaupankäynnin kohteena Nasdaq Helsingin päälliställä, on noudatettava Suomen listayhtiöiden hallinnointikoodia ("Suomen listayhtiöiden hallinnointikoodi"). Nordea Suomen on tämän vuoksi Sulautumisen täytäntöönpanon ja Listautumisen seurauksena noudatettava Suomen listayhtiöiden hallinnointikoodia. Suomen listayhtiöiden hallinnointikoodin suositukset täydentävät lain säännöksiä ja ne toimivat niin sanotun noudata tai selitä -periaatteen ("<i>comply or explain</i>") mukaisesti. Tämän vuoksi yhtiö voi poiketa Suomen listayhtiöiden hallinnointikoodin yksittäisistä suosituksista, mikäli se ilmoittaa jokaisesta poikkeamisesta ja perustelee poikkeamisen syyt. Koska Nordea Suomen on noudatettava Suomen listayhtiöiden hallinnointikoodia, Nordea Suomi ei sovelta Ruotsin listayhtiöiden hallinnointikoodia (<i>Svensk kod för bolagsstyring</i>) ("Ruotsin listayhtiöiden hallinnointikoodi"), sillä kahden eri hallinnointikoodin soveltaminen voisi johtaa ristiriitaisiin vaatimuksiin ja tuloksiin. Nordea Suomen hallinnointikäytäntöjen ei odoteta poikkeavan Ruotsin listayhtiöiden hallinnointikoodista merkittävästi.</p> <p>Nordea Suomen osakkeisiin liittyvät oikeudet määräytyvät Osakeyhtiölain ja muun soveltuvan Suomen lainsäädännön perusteella.</p> <p>Yhtiökokous</p> <p>Osakkeenomistajat käyttävät päätöksentekovaltaansa yhtiökokouksessa, joka on Nordea Suomen ylin toimielin.</p> <p>Osingot ja muu varojen jakaminen</p> <p>Kaikki Nordea Suomen osakkeet tuottavat yhtäläiset oikeudet osinkoon ja muihin jaettaviin varoihin (mukaan lukien Nordea Suomen varojen jakaminen purkautumistilanteessa) osakkeiden Kaupparekisteriin merkitsemisen jälkeen. Osingot ja muut jaettavat varat maksetaan osakkeenomistajille tai heidän hallintarekisteröityjen osakkeidensa hoitajaksi osakasluetteloon asianomaisena täsmäytyspäivänä merkitylle henkilölle. Oikeus osinkoihin vanhenee kolmessa vuodessa osingonmaksupäivästä.</p> <p>Suomessa vallitsevan käytännön mukaan suomalaisen osakeyhtiön osakkeille mahdollisesti maksettava osinko maksetaan yleensä kerran vuodessa. Osinko voidaan maksaa ja vapaata omaa pääomaa muutoin jakaa tietyltä tilikaudelta yhtiökokouksen vahvistettua yhtiön tilinpäätöksen tältä tilikaudelta ja päätettyä osingon tai vapaan oman pääoman muun jakamisen määrästä yhtiön hallituksen ehdotuksen perusteella. Suomen lain mukaan yhtiökokous voi myös valtuuttaa hallituksen päättämään osingon jakamisesta päättämällä varojenjaon enimmäismäärästä.</p> <p>Osingon tai vapaan oman pääoman muun jakamisen määrä on rajoitettu osingonmaksun tai vapaan oman pääoman muuta jakamista koskevan päätöksen perusteena olevan tilinpäätöksen osoittamien yhtiön jakokelpoisten varojen määrään edellyttäen, että tilinpäätöksen laatimisen jälkeen yhtiön taloudellisessa asemassa ei ole tapahtunut olennaisia muutoksia. Suomessa ei saa jakaa varoja, jos jaosta päätettäessä tiedetään tai pitäisi tietää yhtiön olevan maksukyvytön tai jaon aiheuttavan yhtiön maksukyvyttömyyden.</p> <p>Suomen lain mukaan osinkona on jaettava vähintään puolet tilikauden voitosta, jos sitä varsinaisessa yhtiökokouksessa vaativat osakkeenomistajat, jotka edustavat vähintään 10 prosenttia kaikista osakkeista. Suomen lain</p>

Jakso C – Arvopaperit

Osa-tekijä	Tiedonantovelvollisuus	Tiedonanto
		<p>mukaan osingon määrästä on vähennettävä ennen varsinaista yhtiökokousta mahdollisesti jaettujen osinkojen määrä ja siten kuin yhtiön yhtiöjärjestyksen asianmukaisissa kohdissa määritellään. Lisäksi, ilman yhtiön velkojen hyväksyntää jaettavan määrän ylittävää voittoa tai voittoa, joka on enemmän kuin 8 prosenttia yhtiön omasta pääomasta, ei voida jakaa. Mikäli luottolaitoksen omien varojen määrä tai konsolidoitujen omien varojen määrä vähenee Euroopan parlamentin ja neuvoston asetuksessa (EU) N:o 575/2013, annettu 26 päivänä kesäkuuta 2013, luottolaitosten ja sijoituspalveluyritysten vakavaraisuusvaatimuksista ja asetuksen (EU) N:o 648/2012 muuttamisesta (”EU:n vakavaraisuusasetus”) tai Luottolaitoslaissa säädettyä alhaisemmaksi, luottolaitos, kuten Nordea Suomi, ei Luottolaitoslain mukaan saa jakaa osinkoa, ellei Finanssivalvonta myönnä määritellyn ajanjakson ajaksi poikkeusta erityisestä syystä.</p>
C.5	Arvopapereiden vapaata luovutettavuutta koskevat rajoitukset	<p>Suomen laissa tai Nordea Suomen yhtiöjärjestyksessä ei ole rajoituksia Nordea Suomen osakkeiden luovutettavuudelle, ja Nordea Suomi ei ole tietoinen, että sen osakkeenomistajilla olisi osakkeiden luovutettavuutta rajoittavia sopimuksia. Nordea Suomen saadessa EKP:n myöntämän luottolaitoksen toimiluvan, Nordea Suomen osakkeiden suora tai välillinen hankkiminen siten, että ostajan kokonaisomistus muodostaa määräosuuden (joka on 10 prosenttia tai enemmän osakepääomasta tai äänimäärästä tai muu omistusosuus, joka antaa ostajalle mahdollisuuden käyttää merkittävää vaikutusvaltaa Nordea Suomen johtoon) voidaan kuitenkin toteuttaa ainoastaan EKP:n hyväksynnällä. EKP:n hyväksyntä tarvitaan myös silloin, jos omistusosuus nousee 20, 30 tai 50 prosenttiin osakepääomasta tai äänimäärästä tai ylittää sen.</p>
C.6	Kaupankäynnin kohteeksi ottaminen/ säänneltyt markkinat, joilla arvopapereilla käydään kauppaa	<p>Nordea Ruotsin osakkeet ovat listattu Nasdaq Nordicissa Tukholman (Ruotsin kruunuissa), Helsingin (Nordea Ruotsin talletustodistusten muodossa euroissa) ja Kööpenhaminan (Tanskan kruunuissa) pörseissä.</p> <p>Nasdaq Helsinki, Nasdaq Tukholma ja Nasdaq Kööpenhamina ovat, tiettyjen edellytysten täytyessä, hyväksyneet Nordea Suomen osakkeiden listauksen päälistoillaan Täytäntöönpanopäivästä lähtien. Samanaikaisesti Nordea Ruotsin osakkeiden listaus Nasdaq Tukholmassa ja Nasdaq Kööpenhaminassa sekä Nordea Ruotsin talletustodistusten listaus Nasdaq Helsingissä päättyy. Kaupankäynnin Nordea Suomen osakkeilla Nasdaq Helsingin, Nasdaq Tukholman ja Nasdaq Kööpenhaminan päälistoilla odotetaan alkavan arviolta Täytäntöönpanopäivänä.</p>
C.7	Osinkopolitiikka	<p>Nordea-konsernin osinkopolitiikan mukaisesti Nordea-konserni pyrkii säilyttämään sen pääomapolitiikan mukaisesti vahvan pääomarakenteen sekä korottamaan osakekohtaista osinkoa vuosittain. Nykyisenä tarkoituksena on säilyttää tämä politiikka Nordea-konsernin emoyhtiössä riippumatta ehdotetusta kotipaikan siirrosta ja Sulautumisesta.</p> <p>Nordea Suomen omaksumasta osinkopolitiikasta huolimatta Nordea Suomi arvioi osinkojen maksamisen tai muun vapaan oman pääoman jakamisen edellytykset vuosittain, mikä voi johtaa poikkeamiseen osinkopolitiikasta, mukaan lukien päätös olla jakamatta lainkaan osinkoa. Näin ollen Nordea Suomen kultakin tilikaudelta mahdollisesti maksaman osingon määrästä ei ole varmuutta. Lisäksi Nordea Suomen aikaisemmilta tilikausilta maksama osinko tai muun vapaan oman pääoman jakaminen ei anna viitteitä tulevilta tilikausilta mahdollisesti maksettavista osingosta.</p>

Jakso D – Riskit

Osa-tekijä	Tiedonantovelvollisuus	Tiedonanto
D.1	Tärkeimmät liikkeeseenlaskijalle tai sen toimialalle ominaiset riskit	<p><i>Nordea-konsernin päivittäiset liiketoiminnot, mukaan lukien liiketoiminnot sen pohjoismaisilla kotimarkkinoilla, eivät muutu kotipaikan siirron seurauksena. Alla esitetyt riskitekijät heijastavat Nordea-konsernin liiketoimintaa ennen Sulautumisen täytäntöönpanoa ja sen jälkeen, ellei kohdassa viitata Sulautumiseen ja/tai sen yhteydessä suunniteltuihin transaktioihin tai ellei asiayhteydestä käy ilmi, että viitataan muuhun asiaan.</i></p>

Sulautumiseen liittyviä riskejä

Sulautumiseen liittyviä riskejä ovat muun muassa seuraavat:

- ehdotettuun kotipaikan siirtoon ja Sulautumiseen liittyy riskejä ja epävarmuustekijöitä, ja Sulautumisen täytäntöönpanon epäonnistumisella tai viivästymisellä voi olla haitallinen vaikutus Nordea-konsernin liiketoimintaan, liiketoiminnan tulokseen ja taloudelliseen asemaan;
- kotipaikan siirtoon ja Sulautumiseen liittyvän prosessin (jonka tarkoituksena on muun muassa sopimusten läpikäynti ja päivittäminen, asianomaisille tahoille asiasta ilmoittaminen ja sisäisten järjestelmien muuttaminen) osittainen epäonnistuminen suoritettavien toimenpiteiden täytäntöönpanossa tai prosessin viivästyminen voi viivästyttää Sulautumisen täytäntöönpanoa, tai johtaa Sulautumisen epäonnistumiseen, ja sillä voi olla haitallinen vaikutus Nordea-konsernin liiketoimintaan, liiketoiminnan tulokseen ja taloudelliseen asemaan;
- Nordea ei välttämättä kykene saavuttamaan kotipaikan siirrosta ja Sulautumisesta syntyväksi odotettuja säästöjä; ja
- Sulautumisen verokohteluun tietyissä maissa liittyy epävarmuutta ja paikalliset veroviranomaiset voivat kyseenalaistaa Sulautumisen veroneutraliteetin.

Nordea-konsernin toimintaan liittyviä riskejä

Nordea-konsernin oikeudelliseen ympäristöön ja sääntely-ympäristöön liittyviä riskejä ovat muun muassa seuraavat:

- Nordea-konserni on laajan ja muutoksille alttiin sääntelyn kohteena;
- Nordea-konsernille voi aiheutua merkittäviä kustannuksia uusista vakavaraisuus-, elvytys- ja kriisinratkaisukehyksen vaatimusten seuraamisesta ja noudattamisesta;
- CRD IV sisältää vakavaraisuusvaatimuksia, jotka täydentävät vähimmäispääomasuhdetta (*minimum capital ratio*);
- viimeaikaiset sääntelymuutokset saattavat vaikuttaa Nordea-konsernin rahoitustarpeisiin ja pääomarakenteeseen;
- Nordea-konsernin valvonta siirtyy Sulautumisen täytäntöönpanon jälkeen EKP:lle ja Nordea-konserni siirtyy Euroopan yhteisen pankkivalvontamekanismin ja eurooppalaisen kriisinratkaisujärjestelmän piiriin;
- maksuvalmiusriski kuuluu olennaisesti Nordea-konsernin toimintaan;

Jakso D – Riskit

Osa- tekijä	Tiedonantovelvollisuus	Tiedonanto
		<ul style="list-style-type: none">• pienentyneet tai riittämättömiksi katsotut vakavaraisuussuhdeluvut voivat vaikuttaa Nordea-konsernin liiketoiminnan suorituskykyyn;• Nordea-konserni on liiketoiminnassaan altis oikeudellisille vaatimuksille ja viranomaisvaatimuksille;• Nordea-konserni on altis verolainsäädännön muuttumiseen liittyville riskeille, mukaan lukien veroprosenttien nousulle;• Nordea-konsernin tilinpäätösten laatimisperiaatteiden tai tilinpäätösstandardien muutoksilla voi olla olennainen vaikutus konsernin taloudellisen aseman ja liiketoiminnan tuloksen raportointitapaan; ja• Nordea-konsernin varainhankinnan kustannukset ja pääsy velkapääomamarkkinoille riippuvat merkittävästi Nordea-konsernin luottoluokituksesta.
		<p><i>Makrotaloudellisiin olosuhteisiin liittyviä riskejä ovat muun muassa seuraavat:</i></p> <ul style="list-style-type: none">• negatiivisella taloudellisella kehityksellä ja olosuhteilla niillä markkinoilla, joilla Nordea-konserni toimii, voi olla haitallinen vaikutus Nordea-konsernin liiketoimintaan ja liiketoiminnan tulokseen; ja• maailmanlaajuisten rahoitusmarkkinoiden häiriöillä ja epävakaisuudella voi olla haitallinen vaikutus Nordea-konserniin.
		<p><i>Nordea-konsernin luottosalkkuun liittyviä riskejä ovat muun muassa seuraavat:</i></p> <ul style="list-style-type: none">• vastapuolien luottojen laadun heikkeneminen voi vaikuttaa Nordea-konsernin taloudelliseen tulokseen; ja• Nordea-konserni on altis vastapuoliriskille.
		<p><i>Markkinoiden vaikutukseen liittyviä riskejä ovat muun muassa seuraavat:</i></p> <ul style="list-style-type: none">• Nordea-konserni on altis markkinahintariskille; ja• Nordea-konserni on altis rakenteelliselle markkinariskille.
		<p><i>Muita Nordea-konsernin toimintaan liittyviä riskejä ovat muun muassa seuraavat:</i></p> <ul style="list-style-type: none">• operatiiviset riskit, kuten sijoitusneuvontaan liittyvät riskit, voivat vaikuttaa Nordea-konsernin liiketoimintaan;• Nordea-konsernin pohjoismaisten markkinoiden ulkopuolisiin toimintoihin, erityisesti Venäjällä, kohdistuu sellaisia riskejä, jotka eivät koske, tai koskevat vähäisemmässä määrin Nordea-konsernin liiketoimintaa pohjoismaisilla markkinoilla;• Nordea-konsernin kannattavuus henki- ja eläkevakuutusliiketoiminnassa on riippuvaista sääntelystä ja ohjeista niissä maissa, joissa se toimii;• Nordea-konserni voi epäonnistua ylempien johtohenkilöiden tai muiden avaintyöntekijöiden houkuttelemisessa tai sitouttamisessa;• Nordea-konserni kohtaa kilpailua kaikilla markkinoilla; ja

Jakso D – Riskit

Osa- tekijä	Tiedonantovelvollisuus	Tiedonanto
D.3	Tärkeimmät arvopapereille ominaiset riskit	<p>• Nordea-konserni ei välttämättä onnistu strategiansa toteuttamisessa.</p> <p>Nordea Suomen osakkeisiin liittyviä riskejä ovat muun muassa seuraavat:</p> <ul style="list-style-type: none"> • Nordea Suomen kyky maksaa osinkoja tai muutoin jakaa vapaata omaa pääomaa osinkopolitiikkansa mukaisesti tai muutoin riippuu jakokelpoisten varojen saatavuudesta eikä Nordea Suomi välttämättä pysty maksamaan, tai se voi päättää olla maksamatta, osinkoja tai muutoin jakamaan, tai se voi päättää olla muutoin jakamatta, vapaata omaa pääomaa tulevaisuudessa; • mahdolliset muutokset Suomen ennakonpidätysverotuksessa voivat korottaa tunnistamattomien hallintarekisteröityjen osakkeiden omistajien ennakonpidätysprosenttia; • Nordea Ruotsin osakkeenomistajille annettavan Sulautumisvastikkeen vastaanottaminen saattaa olla verotettava tapahtuma tietyissä maissa ja Nordea Ruotsin osakkeenomistajia neuvotaan kääntymään ammattimaisten veroneuvonantajien puoleen Sulautumisesta mahdollisesti aiheutuvien veroseurausten osalta; • Nordea Suomen tiettyjen suurempien osakkeenomistajien intressit voivat erota muiden osakkeenomistajien intresseistä; • Nordea Suomen tulevaisuudessa toteutettavilla osakeanneilla tai merkittävien osakemäärien myynneillä voi olla negatiivinen vaikutus Nordea Suomen osakkeiden markkinahintaan ja mahdolliset Nordea Suomen tulevaisuudessa toteuttamat osakeannit voivat laimentaa olemassa olevien osakkeenomistajien omistusta; • tietyt ulkomaiset osakkeenomistajat eivät välttämättä pysty käyttämään Osakeyhtiölain mukaisia merkintäetuoikeuksiaan tai muita osakkeenomistajien oikeuksia; • Nordea Suomen osakkeiden markkinahinta voi vaihdella huomattavasti; • Nordea Suomen osakkeisiin liittyvien transaktioiden toteuttaminen on riippuvaista Euroclear Finland Oy:n, Euroclear Sweden AB:n ja VP Securities A/S:n prosesseista, järjestelmistä ja yhteistyöstä; ja • sijoittajat, joiden viitevaluutta on muu kuin euro, altistuvat tietyille valuuttakurssiriskeille sijoittaessaan Nordea Suomen osakkeisiin.

Jakso E – Tarjous

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
E.1	Nettotuotot/ arvioidut kokonaiskustannukset	Nordea Suomi ei saa käteistuottoja Sulautumisesta. Kotipaikan siirron ja Sulautumisen yhteydessä Nordealle syntyvät kokonaiskustannukset koostuvat pääasiassa rahoitukseen liittyvistä toteutus- ja projektikustannuksista, mukaan lukien informaatioteknologiaan, lakiasioihin ja neuvontapalveluihin liittyvistä kustannuksista, mutta pois lukien henkilöstökustannukset, ja niiden odotetaan olevan arviolta 100 miljoonaa euroa ennen veroja (ilman diskonttausta), joista 11 miljoonaa euroa oli kertynyt 31.12.2017 mennessä.

Jakso E – Tarjous

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
E.2a	Syyt tarjoamiseen/ tuottojen käyttö/ arvioidut kokonaisnettotuotot	<p>Nordea aloitti vuoden 2017 ensimmäisellä vuosineljänneksellä prosessin, jossa se arvioi eri vaihtoehtoja joilla vastata niihin vaikutuksiin, joita Ruotsin sääntelykehyksellä on Nordea-konserniin, mukaan lukien Ruotsin sääntelykehyksen eroavaisuudet EU:n pankkiunionin sääntelykehyksestä. Arvioidut vaihtoehdot käsittivät muun muassa Nordea-konsernin pääkonttorin siirtämisen pois Ruotsista.</p> <p>Vaihtoehtojen arvioinnin loppuun saattamisen jälkeen Nordea Ruotsin hallitus päätti 6.9.2017 käynnistää Nordea-konsernin emoyhtiön kotipaikan siirron Ruotsista Suomeen, joka on EU:n pankkiunionin jäsenmaa. Päätös perustui Nordea-konsernin ainutlaatuisen Pohjoismaat kattavaan ja kansainväliseen rakenteeseen, jonka vuoksi olemassa olevat kansalliset sääntelykehykset eivät täysin sovi Nordea-konsernin liiketoimintamalliin ja viimeaikaiseen strategiseen kehitykseen. Nordea Ruotsi odottaa, että Nordea-konsernin emoyhtiön kotipaikan sijaitseminen EU:n pankkiunionin jäsenmaassa tarkoittaa, että Nordea-konserniin sovelletaan samanlaista sääntelykehystä kuin sen eurooppalaisiin kilpailijoihin, sekä lakien ja säännösten yhdenmukaisempaa soveltamista ja näin ollen tasavertaisempia toimintaedellytyksiä. Nordea Ruotsi odottaa, että tämä edistää asiakkaiden, osakkeenomistajien ja työntekijöiden etua. Nordea-konsernin päivittäinen liiketoiminta, mukaan lukien sen pohjoismaisilla kotimarkkinoilla, ei tule kotipaikan siirron myötä muuttumaan eikä päivittäiseen liiketoimintaan ole asiakkaiden näkökulmasta odotettavissa kotipaikan siirrosta johtuvia muutoksia.</p> <p>Kotipaikan Suomeen siirron johdosta Nordea Ruotsi odottaa vakausmaksuihin, talletussuojoihin ja muihin siirtymävaikutuksiin liittyvien yhteenlaskettujen säästöjen olevan nettohyötyä noin 0,9–1,2 miljardia euroa. Yhteenlaskettujen säästöjen nettohyötyä odotetaan toteutuvan 0–90 miljoonaa euroa vuosina 2017–2019 ja 900–1 070 miljoonaa euroa vuoden 2019 jälkeen. Vuonna 2018 maksettavien vakaus- ja talletussuojamaksujen odotetaan nousevan noin 60–130 miljoonaa euroa verrattuna vuoteen 2017. Vuonna 2019 näiden maksujen odotetaan olevan vaihteluvälillä 10 miljoonaa euroa alhaisemmat ja 60 miljoonaa euroa korkeammat kuin vuonna 2017.</p> <p><i>Edellä mainitut tiedot sisältävät kuvauksen Nordea Ruotsin odotuksista vakausmaksuihin, talletussuojoihin ja muihin siirtymävaikutuksiin liittyvien, Nordea Ruotsin kotipaikan siirrosta Suomeen johtuvien yhteenlaskettujen säästöjen nettohyötyä. Nordea Ruotsi on laskenut kotipaikan Suomeen siirron odotetun nettohyötyvaikutuksen vähentämällä tulevat, verojen jälkeiset kotipaikan muutoksen aiheuttamat tuloslaskelmavaikutukset niiden tietojen pohjalta, jotka ovat Nordea Ruotsin saatavilla tämän Esitteen päivämääränä. Odotettujen säästöjen nettohyötyverojen taustalla olevat laskelmat ovat perustuneet tällä hetkellä voimassa oleviin lakeihin ja säännöksiin ja oletukseen siitä, että kotipaikan siirto ja Sulautuminen toteutetaan veroneutraalisti rajat ylittävänä käänteisellä absorptiosulautumisena ja tällä hetkellä aiotussa aikataulussa eli 1.10.2018 mennessä.</i></p> <p><i>Tämän osion sisältämät arviot nettohyötyvoimista voivat muuttua ja ne perustuvat lukuisiin oletuksiin ja arvioihin, jotka liittyvät muun muassa vakaus- ja talletussuojamaksujen tasoon tulevaisuudessa ja kotipaikan muutoksista johtuviin siirtymävaikutuksiin, ja ne on laadittu perustuen Nordea Ruotsin tämänhetkisiin oletuksiin kaupallisen, sääntelyllisen ja taloudellisen ympäristön kehityksestä. Arviot eivät huomioi ennalta-arvaamattomia tapahtumia, joita voi seurata muun muassa sääntelyjärjestelmän muutoksista, mukaan lukien Nordea-konserniin sovellettavat pääomavaatimukset.</i></p>

Jakso E – Tarjous

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
E.3	Tarjouksen ehdot	<p data-bbox="616 221 1437 613">Nordea Ruotsin ja Nordea Suomen hallitukset allekirjoittivat 25.10.2017 Sulautumissuunnitelman, jossa määritellään Sulautumisen ehdot ja muut liitännäiset prosessit. Sulautumissuunnitelman mukaan Nordea Ruotsin ja Nordea Suomen hallitukset ehdottavat, että Nordea Ruotsi sulautuu Nordea Suomeen Sulautumisella, joka ehdotetaan toteutettavaksi rajat ylittävällä käänteisellä absorptiosulautumisella Osakeyhtiölain 16 luvun 19–28 §:ien mukaisesti ja, soveltuvin osin, Liikepankkilain 2 luvun mukaisesti sekä Ruotsin osakeyhtiölain (<i>aktiebolagslag (2005:551)</i>) (”Ruotsin osakeyhtiölaki”) 23 luvun 36 §:n (viittauksineen) mukaisesti ja Ruotsin pankki- ja rahoitustoiminnasta annetun lain (<i>lag (2004:297) om bank- och finansieringsrörelse</i>) (”Ruotsin pankki- ja rahoitustoiminnasta annettu laki”) 10 luvun 18–25 b §:ien mukaisesti. Nordea Ruotsi purkautuu automaattisesti Sulautumisen seurauksena Täytäntöönpanopäivänä.</p> <p data-bbox="616 645 1437 972">Nordea Ruotsin osakkeenomistajat saavat Sulautumisvastikkeena yhden Nordea Suomen osakkeen jokaista Täytäntöönpanopäivänä omistamaansa Nordea Ruotsin osaketta kohden tarkoittaen, että Sulautumisvastike annetaan Nordea Ruotsin osakkeenomistajille heidän osakeomistuksensa mukaisessa suhteessa vaihtosuhteella 1:1. Vaihtosuhte on määritetty sen perusteella, että Nordea Suomi on Nordea Ruotsin kokonaan omistama tytäryhtiö, jolla ei ole mitään omia liiketoimintoja, joten kaikkien Nordea Suomen osakkeiden arvo Sulautumisen jälkeen vastaa kaikkien Nordea Ruotsin osakkeiden arvoa. Sulautumisen täytäntöönpanon yhteydessä Nordea Suomen osakepääoma korotetaan 5 000 000 eurosta 4 049 951 919 euroon, joka vastaa Nordea Ruotsin osakepääomaa.</p> <p data-bbox="616 1003 1437 1518">Nordea Ruotsin hallitus esittää Sulautumissuunnitelman Nordea Ruotsin osakkeenomistajien hyväksyttäväksi varsinaisessa yhtiökokouksessa, joka pidetään 15.3.2018. Sulautumissuunnitelman hyväksyminen edellyttää kahden kolmasosan määräenemmistön annetuista äänistä ja kokouksessa edustetuista osakkeista. Mikäli varsinainen yhtiökokous ei hyväksy Sulautumissuunnitelmaa, Sulautuminen raukeaa. Nordea Ruotsin yhtiökokouksen antaman hyväksymisen lisäksi Sulautumisen täytäntöönpano edellyttää muun muassa tarvittavia viranomaislupia ja sisäisiä hyväksyntöjä. Nordea Ruotsin hallitus suosittaa, että Nordea Ruotsin varsinainen yhtiökokous hyväksyy Sulautumissuunnitelman. Sulautumisen täytäntöönpanoon tarvittavat viranomaisluvut sisältävät muun muassa luvan Ruotsin finanssivalvonnalta, joka osana lupamenettelyä arvioi, onko Nordea Ruotsin velkojille varmistettu riittävä vakuus siltä osin kuin tällainen vakuus edellytetään huomioiden Nordea Ruotsin ja Nordea Suomen taloudelliset olosuhteet ja Nordea Ruotsin tallettajien ja muiden velkojien edut. Ruotsin finanssivalvonta voi myös hylätä hakemuksen, mikäli tällaisen hylkäämisen perustellaan olevan yleisen edun mukaista.</p> <p data-bbox="616 1550 1437 2060">Edellyttäen, että Sulautumisen täytäntöönpanon edellytykset ovat täyttyneet, Sulautuminen pannaan täytäntöön Täytäntöönpanopäivänä eli kun Sulautumisen täytäntöönpano on rekisteröity Kaupparekisteriin, minkä on suunniteltu tapahtuvan vuoden 2018 toisella vuosipuoliskolla, alustavasti 1.10.2018. Samaan aikaan Nordea Ruotsin osakkeenomistajista tulee Nordea Suomen osakkeenomistajia. Nordea Ruotsi purkautuu automaattisesti Sulautumisen seurauksena Täytäntöönpanopäivänä. Kirjanpidollisesti ja oikeudellisesti Nordea Ruotsin oikeudet ja velvollisuudet sekä sen varat ja velat siirtyvät lain nojalla Nordea Suomelle Täytäntöönpanopäivänä yleisseuraannolla asianomaisen Suomen ja Ruotsin yhtiölainsäädännön nojalla ja Nordea Ruotsin transaktioita kohdellaan Nordea Suomen transaktioina. Nordea Suomi muuttaa nimensä Nordea Bank Oyj:ksi viimeistään Täytäntöönpanopäivänä. Nordea Suomi tulee Sulautumisen myötä muodollisesti hankkimaan Nordea Ruotsin sivuliikkeiden toiminimet, rinnakkaistoiminimet sekä aputoiminimet ja niiden käännökset. Sulautumisen täytäntöönpanon yhteydessä Nordea Suomen Ruotsissa ja muun muassa Tanskassa ja Norjassa, sekä Virossa,</p>

Jakso E – Tarjous

Osatekijä	Tiedonantovelvollisuus	Tiedonanto
		<p>Kiinassa, Puolassa, Singaporessa, Yhdistyneessä Kuningaskunnassa, Saksassa ja Yhdysvalloissa (yhdessä ”Relevantit maat”) sijaitsevien uusien sivuliikkeiden nimet päivitetään vastaamaan Nordea-konsernin uutta emoyhtiötä.</p> <p>Ruotsin lain mukaan sulautuvan yhtiön osakkeenomistajilla ei ole oikeutta vaatia osakkeidensa lunastamista sulautumisesta päättävässä yhtiökokouksessa. Tämän johdosta, toisin kuin Suomen lain alla, Nordea Ruotsin Sulautumista vastustavilla osakkeenomistajilla ei ole oikeutta vaatia Nordea Ruotsin varsinaisessa yhtiökokouksessa osakkeidensa lunastamista. Nordea Ruotsin osakkeenomistajat, jotka eivät halua vastaanottaa Nordea Suomen osakkeita Sulautumisvastikkeena on luovutettava Nordea Ruotsin osakkeensa viimeistään 28.9.2018.</p> <p>Jos Sulautumissuunnitelma hyväksytään Nordea Ruotsin varsinaisessa yhtiökokouksessa, niiltä Nordea Ruotsin osakkeenomistajilta, jotka haluavat pysyä Nordea Suomen osakkeenomistajina Sulautumisen jälkeen, ei edellytetä mitään toimia Sulautumisen yhteydessä.</p>
E.4	Liikkeeseenlaskuun liittyvät olennaiset intressit/eturistiriidat	Ei sovellu.
E.5	Arvopapereita myyntiin tarjoavan henkilön tai yhteisön nimi	Ei sovellu.
	Luovutusrajoitus-sopimukset	Ei sovellu.
E.6	Omistuksen laimentuminen	Ei sovellu.
E.7	Arvioidut kustannukset, jotka veloitetaan sijoittajilta	Ei sovellu. Nordea Suomi ei veloita sijoittajilta suoraan mitään kuluja Sulautumiseen liittyen.

SVENSK SAMMANFATTNING

Sammanfattningar består av informationskrav uppställda i "Punkter". Dessa punkter är numrerade i avsnitt A–E (A.1–E.7).

Denna sammanfattning innehåller alla de Punkter som krävs i en sammanfattning för denna typ av värdepapper och emittent. Eftersom vissa Punkter inte behöver ingå kan det finnas luckor i numreringen av Punkterna.

Även om det krävs att en viss Punkt ingår i sammanfattningen för denna typ av värdepapper och emittent är det möjligt att ingen relevant information kan ges beträffande Punkten. I dessa fall är en kort beskrivning av Punkten inkluderad i sammanfattningen tillsammans med angivelsen "ej tillämplig".

Avsnitt A – Introduktion och varningar

Punkt	Informationskrav	Information
A.1	Introduktion	<i>Denna sammanfattning bör betraktas som en introduktion till prospektet. Varje beslut om att investera i aktierna i Nordea Holding Abp ("Nordea Finland") ska baseras på en bedömning av prospektet i dess helhet från investerarens sida. Om yrkanden avseende uppgifterna i prospektet anförs vid domstol kan den investerare som är kärande i enlighet med medlemsstaternas nationella lagstiftning bli tvungen att svara för kostnader för översättning av prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med andra delar av prospektet eller om den inte, tillsammans med andra delar av prospektet, ger nyckelinformation för att hjälpa investerare vid övervägandet att investera i aktierna i Nordea Finland.</i>
A.2	Samtycke till efterföljande återförsäljning eller slutlig placering av värdepappren/anbudsperiod/villkor för samtycket	Ej tillämplig.

Avsnitt B – Emittent

Punkt	Informationskrav	Information
B.1	Firma och handelsbeteckning	<p>Per dagen för detta prospekt är Nordea Bank AB (publ) (dvs. Nordea Sverige) moderbolag i Nordeakoncernen. Den 6 september 2017 beslutade styrelsen för Nordea Sverige att inleda en flytt av moderbolagets säte från Sverige till Finland, ett land som är med i Europeiska unionens ("EU") bankunion, vilket Nordea Sverige förutser ska främja kunders, aktieägares och medarbetares intressen. Se avsnitt E.2a nedan för information om skälen för beslutet att flytta sätet och om de förväntade fördelarna med flytten.</p> <p>Flytten föreslås bli genomförd genom en gränsöverskridande omvänd fusion i form av absorption ("Fusionen") varigenom Nordea Sverige, det nuvarande moderbolaget i Nordeakoncernen, kommer att fusioneras med Nordea Holding Abp (Nordea Holding Oyj på finska), ett nybildat finskt dotterbolag till Nordea Sverige. Nordea Finland kommer att ändra sin firma till Nordea Bank Abp senast på dagen för Fusionens verkställande. Som en följd av Fusionen kommer Nordea Bank Abp (dvs. Nordea Finland) att bli det nya moderbolaget i Nordeakoncernen.</p> <p>Verkställandet av Fusionen är villkorat bl.a. av att Nordea Sveriges årsstämma godkänner fusionsplanen, att alla godkännanden, tillstånd, samtycken och andra beslut av berörda myndigheter erhålls, däribland att Nordea Finland erhåller tillstånd från den Europeiska centralbanken att bedriva bankrörelse, värdepappersrörelse och investeringsverksamhet, att aktierna i Nordea Finland godkänns för upptagande till handel på de reglerade marknaderna Nasdaq Stockholm, Nasdaq Helsingfors och Nasdaq Köpenhamn när fusionsvederlaget</p>

Avsnitt B – Emittent

Punkt	Informationskrav	Information
		lämnas, att Fusionen inte förbjuds eller, enligt styrelserna för Nordea Sverige och Nordea Finland, förhindras samt att Fusionen har registrerats i det finska handelsregistret.
		Verkställandet av Fusionen beräknas kunna bli registrerat i det finska handelsregistret under andra halvåret 2018, preliminärt den 1 oktober 2018. Nordea Sverige kommer automatiskt att upplösas vid tidpunkten för verkställandet av Fusionen.
B.2	Säte/bolagsform/ lagstiftning/land för bildande	<p>Nordea Sverige är ett publikt bankaktiebolag som registrerats i enlighet med svensk rätt och har sitt säte i Sverige.</p> <p>Nordea Finland är ett publikt aktiebolag som bildats och har sitt säte i Finland och som är organiserat enligt finsk rätt. Vid tidpunkten för verkställandet av Fusionen kommer Nordea Finland att vara ett publikt bankaktiebolag och som sådant regleras av bl.a. den finska kreditinstitutslagen (610/2014) ("finska kreditinstitutslagen") och den finska lagen om affärsbanker och andra kreditinstitut i aktiebolagsform (1501/2001) ("finska affärsbankslagen").</p>
B.3	Nuvarande och huvudsaklig verksamhet	<p>Nordeakoncernens dagliga verksamhet, däribland på dess nordiska hemmamarknader, kommer inte att ändras till följd av flytten, och ur ett kundperspektiv förväntas inga förändringar i den dagliga verksamheten.</p> <p>Nordeakoncernen är den största finanskoncernen i Norden (Danmark, Finland, Norge och Sverige) mätt i totala intäkter, med ytterligare verksamhet i Ryssland och Luxemburg samt med ett flertal internationella filialer. Nordeakoncernen är även aktiv i Estland, Lettland och Litauen genom Luminor, en baltisk bank ägd av Nordea och DNB ASA ("DNB") som består av Nordeakoncernens och DNB:s kunder på dessa tre marknader. Nordea bedömer att koncernen har den största kundbasen av alla finanskoncerner på de nordiska marknaderna, med över 10 miljoner kunder på de marknader där den bedriver verksamhet, varav cirka 9,6 miljoner privatkunder och cirka 0,6 miljon företagskunder och institutionella kunder, i samtliga fall per den 31 december 2017. Per samma datum hade Nordeakoncernen tillgångar om totalt 581,6 miljarder euro och ett primärkapital om 28,0 miljarder euro och koncernen var den största nordiska kapitalförvaltaren med 330,4 miljarder euro i förvaltad kapital.</p> <p>Som fullservicebank erbjuder Nordeakoncernen ett omfattande utbud av banktjänster och finansiella produkter till såväl privat- som företagskunder och institutionella kunder. Nordeakoncernens produkt- och tjänsteutbud omfattar ett brett urval av banktjänster för privatkunder, inklusive bolån och konsumtionslån, kredit- och kontokortstjänster, och ett brett utbud av spar- och livförsäkringstjänster samt pensionssparande. Nordeakoncernen erbjuder dessutom ett brett urval av banktjänster för företagskunder, inklusive företagslån, likviditetsförvaltning, betal- och kontotjänster, riskhanteringsprodukter och rådgivningstjänster, skuld- och eget kapitalinstrument för likviditets- och kapitalanskaffningsändamål, corporate finance, institutionell kapitalförvaltning samt pensions- och livförsäkringsprodukter. Nordeakoncernen tillhandahåller även allmänna försäkringsprodukter. Med ungefär 500 bankkontor, callcenters på samtliga nordiska marknader och en mycket konkurrenskraftig internetbank har Nordeakoncernen också det största distributionsnätet för kunder på den nordiska marknaden.</p> <p>Nordeakoncernens ambition och vision har varit att fungera som "Ett Nordea" i Norden. För att kunna förverkliga denna ambition och vision lanserade Nordeakoncernen år 2015 en transformationsplan som bl.a. omfattade betydande investeringar i teknik för att skapa en kärnbankplattform. Nordeakoncernen kommer att fortsätta utvecklas till Ett Nordea och leverera framtidens relationsbankmodell genom en stärkt kultur och ett konsekvent utförande med fokus på fyra kärnområden: tydlig kundvision, ett enhetligt arbetssätt, förenkling av gemensamma system samt gemensamma värderingar. I</p>

Avsnitt B – Emittent

Punkt	Informationskrav	Information
		linje med denna ambition ligger Nordeakoncernens strategiska prioriteringar som omfattar att stärka den kundcentrerade organisationen, digitalisering och nya distributionskanaler, förenkling samt förtroende och ansvar.
B.4a	De senaste och mest betydande trenderna för emittenten och dess bransch	Nordeakoncernens utveckling påverkas i betydande utsträckning, och kommer efter flytten och Fusionen i betydande utsträckning fortsatt att påverkas, av de allmänna ekonomiska förutsättningarna i de länder där verksamhet bedrivs, primärt på den nordiska marknaden (Danmark, Finland, Norge och Sverige) och i mindre utsträckning i Ryssland, och Baltikum, det senare genom Nordeas innehav i Luminor, en baltisk bank som ägs av Nordea och DNB och som omfattar Nordeas och DNBs kunder i Estland, Lettland och Litauen. Under senare år har de ekonomiska förutsättningarna i Norden generellt sett utvecklats mer fördelaktigt jämfört med resten av Europa, till följd av överlag sunda offentliga finanser. Det har emellertid förekommit skillnader mellan olika länder i regionen. År 2015 växte den svenska ekonomin med över 3 procent. Den ekonomiska utvecklingen i Danmark var till en början stabil, men mattades av något under andra halvåret 2015. Den norska ekonomin växte under första delen av år 2015 men påverkades i större utsträckning av det accelererade oljeprisraset under senare delen av året. Den finska ekonomin förblev dämpad under år 2015 och pendlade mellan positiva och negativa tillväxttal under året. Under år 2016 utvecklades de nordiska ekonomierna åt olika håll. Sverige fortsatte den starka utvecklingen med en tillväxt på över 3 procent. Den ekonomiska utvecklingen i Danmark var till en början stabil, men mattades av något under andra halvåret 2016. Helhetsintrycket var ändå stabilt, med en fortsatt gradvis stigande trend. År 2016 forstärkte Norges ekonomi inledningsvis att växa, men ekonomin påverkades gradvis negativt till följd av oljeprisets nedgång. Även om den finska ekonomin växte under år 2016, förblev den ekonomiska utvecklingen i Finland dämpad och var omväxlande positiv och negativ under de olika kvartalen. Den globala ekonomin uppvisade en accelererad tillväxt under år 2017, med en viss ökning av inflationstakten och låg volatilitet på finansmarknaden. Trots vissa oroväckande geopolitiska händelser, präglades 2017 av kraftigt ökade tillgångspriser och extremt låg volatilitet på finansmarknaden. Stödet från centralbankerna förblev starkt. Den amerikanska ekonomin växte starkt och landets centralbank fortsatte att normalisera sin räntepolitik. Tillväxten i den europeiska ekonomin var den högsta sedan 2011, med draghjälp från låga räntor, sjunkande arbetslöshet och stark inhemsk efterfrågan. Farhågorna för tillväxten på tillväxtmarknaderna fortsatte att dämpas i takt med att världshandeln tog fart och råvarupriserna steg. Under 2017 var tillväxten i de nordiska länderna synkroniserad för första gången på många år. I Sverige förblev ekonomin stark med en tillväxt som översteg 2,5 procent medan den danska ekonomin växte med 2 procent, trots negativ tillväxt under tredje kvartalet på grund av tillfälliga faktorer. Även i Norge tog tillväxten fart, med stöd från återhämtningen i oljepriset och låg arbetslöshet. I Finland växte ekonomin med över 3 procent med stöd från både hög inhemsk efterfrågan och ökad export. Under senare år har den ryska ekonomin påverkats negativt av krisen i Krim-området och östra Ukraina.
B.5	Koncernstruktur	Nordeakoncernen består av moderbolaget Nordea Sverige och dess dotterbolag som omfattas av koncernredovisningen. Efter verkställandet av Fusionen kommer moderbolaget för Nordeakoncernen att vara Nordea Finland.
B.6	Anmälningspliktiga intressen	Aktieägarna i Nordea Sverige kommer som fusionsvederlag att erhålla en (1) ny aktie i Nordea Finland för varje aktie som de äger i Nordea Sverige på dagen för Fusionens verkställande, vilket innebär att fusionsvederlaget kommer att lämnas till aktieägarna i Nordea Sverige i proportion till deras befintliga aktieinnehav med ett utbytesförhållande om 1:1. Därmed kommer aktieägandet i Nordea Finland omedelbart efter Fusionens verkställande att vara identiskt med aktieägandet i Nordea Sverige omedelbart före Fusionens verkställande.

Avsnitt B – Emittent

Punkt	Informationskrav	Information									
		Såvitt Nordea Sverige känner till har följande aktieägare ett sådant, direkt eller indirekt, innehav av kapitalandelar eller rösträtter i Nordea Sverige som är anmälningspliktigt enligt svensk och finsk lag per den 31 januari 2018.									
		<table><thead><tr><th></th><th>Antal aktier</th><th>Andel kapital och röster⁽¹⁾</th></tr><tr><th></th><th>(miljoner)</th><th>(procent)</th></tr></thead><tbody><tr><td>Sampo plc</td><td>860,4</td><td>21,3</td></tr></tbody></table>		Antal aktier	Andel kapital och röster⁽¹⁾		(miljoner)	(procent)	Sampo plc	860,4	21,3
	Antal aktier	Andel kapital och röster⁽¹⁾									
	(miljoner)	(procent)									
Sampo plc	860,4	21,3									

(1) Exklusive aktier som har emitterats för de långsiktiga incitamentsprogrammen ("LTIP").

Avsnitt B – Emittent

Punkt	Informationskrav	Information
B.7	Utvald historisk finansiell information	Utvald finansiell och annan information för Nordeakoncernen i sammandrag

De utvalda resultat- och balansräkningarna som presenteras nedan har hämtats från Nordeakoncernens reviderade koncernräkenskaper för räkenskapsåren 2015, 2016 och 2017, tillsammans med de omräknade jämförelsetalen från räkenskapsåret 2015 som ingår i Nordeakoncernens reviderade koncernräkenskaper för räkenskapsåret 2016, som har införlivats genom hänvisning i detta prospekt. Räkenskaperna har upprättats i enlighet med International Financial Reporting Standards såsom de antagits av Europeiska kommissionen ("IFRS"). Nordea Finland, moderbolaget i Nordeakoncernen efter verkställandet av Fusionen, registrerades i det finska handelsregistret den 27 september 2017, och ingen historisk finansiell information har upprättats i förhållande till Nordea Finland. Nordeakoncernens reviderade koncernräkenskaper som har införlivats genom hänvisning i detta prospekt har upprättats för Nordeakoncernen med Nordea Sverige som moderbolag. Eftersom Fusionen kommer att behandlas som en omorganisation inom koncernen, förändrar Fusionen som en koncernintern transaktion inte den rapporterade enheten enligt IFRS. Följaktligen kommer koncernredovisningen för Nordea Finland, det nya moderbolaget i Nordeakoncernen, att fullt ut spegla balansvärdena från koncernredovisningen för det tidigare moderbolaget i Nordeakoncernen, Nordea Sverige, vilka är införlivade genom hänvisning i detta prospekt.

Koncernresultaträkningar i sammandrag

	Räkenskapsår		
	2015	2016	2017
	(miljoner euro, om inte annat anges)		
Räntenetto ⁽¹⁾	4 963 ⁽¹⁾	4 727	4 666
Avgifts- och provisionsnetto ⁽¹⁾	3 230 ⁽¹⁾	3 238	3 369
Nettoresultat av poster till verkligt värde ⁽¹⁾	1 645 ⁽¹⁾	1 715	1 328
Andelar i intresseföretags och joint ventures resultat.....	39	112	23
Övriga rörelseintäkter.....	263	135	83
Summa rörelseintäkter	10 140	9 927	9 469
Allmänna administrationskostnader:			
Personalkostnader.....	-3 263	-2 926	-3 212
Övriga administrationskostnader.....	-1 485	-1 646	-1 622
Av- och nedskrivningar av materiella och immateriella tillgångar.....	-209	-228	-268
Summa rörelsekostnader	-4 957	-4 800	-5 102
Resultat före kreditförluster	5 183	5 127	4 367
Kreditförluster, netto.....	-479	-502	-369
Rörelseresultat	4 704	4 625	3 998
Skatt.....	-1 042	-859	-950
Årets resultat	3 662	3 766	3 048
Hänförligt till:			
Aktieägare i Nordea Bank AB (publ).....	3 662	3 766	3 031
Minoritetsintressen.....	-	-	17
Summa	3 662	3 766	3 048
Resultat per aktie före utspädning, euro.....	0,91	0,93	0,75
Resultat per aktie efter utspädning, euro.....	0,91	0,93	0,75

(1) Till följd av att (i) omlägningsavgifter och utbetalningsavgifter som erhålls i samband med danska bolån har omklassificerats från "Nettoresultat av poster till verkligt värde" till "Avgifts- och provisionsnetto" i resultaträkningen under 2016 och (ii) Nordeakoncernen har omklassificerat avgifter till statliga garantiprogram från "Avgifts- och provisionsnetto" till "Räntenetto" under 2016 har Nordeakoncernen räknat om de jämförelsesiffror för räkenskapsåret 2015 som ingår i Nordeakoncernens reviderade koncernräkenskaper för räkenskapsåret 2016. De omräknade siffrorna för 2015 som presenteras här är oreviderade. De reviderade icke omräknade siffrorna för räkenskapsåret 2015 är 5 110 miljoner euro vad gäller räntenetto, 3 025 miljoner euro vad gäller avgifts- och provisionsnetto och 1 703 miljoner euro vad gäller nettoresultat av poster till verkligt värde.

Avsnitt B – Emittent

Koncernbalansräkning i sammandrag

	Per den 31 december		
	2015	2016	2017
	(miljoner euro)		
Kassa och tillgodohavanden hos centralbanker	35 500	32 099	43 081
Utlåning till centralbanker.....	13 224	11 235	4 796
Utlåning till kreditinstitut ⁽¹⁾	10 762 ⁽¹⁾	9 026	8 592
Utlåning till allmänheten.....	340 920	317 689	310 158
Räntebärande värdepapper	86 535 ⁽¹⁾	87 701	75 294
Pantsatta finansiella instrument.....	8 341	5 108	6 489
Aktier och andelar	22 273 ⁽¹⁾	21 524	17 180
Tillgångar i placeringsportföljer och fondförsäkringsavtal	20 434 ⁽¹⁾	23 102	25 879
Derivatinstrument.....	80 741	69 959	46 111
Övriga tillgångar ⁽²⁾	28 138 ⁽¹⁾	29 319	21 846
Tillgångar som innehas för försäljning ⁽³⁾	–	8 897	22 186
Summa tillgångar	646 868	615 659	581 612
Skulder till kreditinstitut.....	44 209	38 136	39 983
In- och upplåning från allmänheten ⁽⁴⁾	189 049 ⁽⁴⁾	174 028	172 434
Inlåning i placeringsportföljer och fondförsäkringsavtal ⁽⁴⁾	21 088 ⁽⁴⁾	23 580	26 333
Skulder till försäkringstagare ⁽⁴⁾	38 707 ⁽⁴⁾	41 210	19 412
Emitterade värdepapper.....	201 937	191 750	179 114
Derivatinstrument.....	79 505	68 636	42 713
Övriga skulder ⁽⁵⁾	41 341 ⁽⁴⁾	41 021	42 276
Skulder som innehas för försäljning ⁽³⁾	–	4 888	26 031
Summa skulder	615 836	583 249	548 296
Summa eget kapital	31 032	32 410	33 316
varav innehavare av övrigt primärkapital	–	–	750
varav minoritetsintressen.....	1	1	168
Summa skulder och eget kapital	646 868	615 659	581 612

- (1) Under 2016 omklassificerade Nordeakoncernen vissa räntebärande värdepapper och aktier till en separat rad i balansräkningen "Tillgångar i placeringsportföljer och fondförsäkringsavtal" för att särskilja dem från tillgångar där Nordeakoncernen står placeringsrisken. På grund av denna omklassificering har Nordeakoncernen räknat om jämförelsesiffrorna för posterna "Utlåning till kreditinstitut", "Räntebärande värdepapper", "Aktier och andelar", "Förvaltningsfastigheter" och "Övriga tillgångar" för räkenskapsåret 2015 som ingår i Nordeakoncernens reviderade koncernräkenskaper för räkenskapsåret 2016. De omräknade siffrorna per den 31 december 2015 som presenteras här är oreviderade. Motsvarande reviderade icke omräknade siffror för räkenskapsåret 2015 är 10 959 miljoner euro vad gäller utlåning till kreditinstitut, 88 176 miljoner euro vad gäller räntebärande papper, 40 745 miljoner euro vad gäller aktier och 28 262 miljoner euro vad gäller övriga tillgångar (där "övriga" i ovanstående tabell omfattar förvaltningsfastigheter som minskade i värde med 111 miljoner euro och övriga tillgångar som minskade med 13 miljoner euro till följd av omräkningen).
- (2) Består av förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer, aktier och andelar i intresseföretag och joint ventures, immateriella tillgångar, materiella tillgångar, förvaltningsfastigheter, uppskjutna skattefordringar, aktuella skattefordringar, pensionstillgångar, förutbetalda kostnader och upplupna intäkter samt övriga tillgångar, vilka omfattar fondlikvidfordringar, ställda marginalsäkerheter och övriga.
- (3) Tillgångar och skulder som innehas för försäljning per den 31 december 2017 hänför sig till Nordeas beslut att sälja ytterligare 45 procent av aktierna i danska Nordea Liv & Pension, Livsförsäkringssekskab A/S. Tillgångar och skulder som innehas för försäljning per den 31 december 2016 avser Nordeakoncernens verksamhet i Baltikum samt bolån och konsumtionslån i Ryssland. Tillgångar och skulder som innehas för försäljning redovisas på separata rader i balansräkningen som "Tillgångar som innehas för försäljning" respektive "Skulder som innehas för försäljning" från klassificeringsdatumet.
- (4) Som ett resultat av de ändringar i redovisningsprinciper som beskrivits i fotnot (1) ovan har Nordeakoncernen under 2016 omklassificerat sådana skulder som motsvarar tillgångar i placeringsportföljer och fondförsäkringsavtal till en separat rad i balansräkningen som "Inlåning i placeringsportföljer och fondförsäkringsavtal", eftersom dessa skulder uppför sig på ett annat sätt än vanlig inlåning från kunderna. Till följd av denna omklassificering har Nordeakoncernen räknat om jämförelsesiffrorna för "In- och upplåning från allmänheten", "Skulder till försäkringstagare" och "Övriga skulder" per den 31 december 2015 som inkluderats i de reviderade räkenskaperna för Nordeakoncernen för räkenskapsåret 2016. De omräknade siffrorna per den 31 december 2015 som presenteras här är oreviderade. Motsvarande reviderade icke omräknade siffror för räkenskapsåret 2015 är 193 342 miljoner euro vad gäller in- och upplåning från allmänheten, 55 491 miljoner euro vad gäller skulder till försäkringstagare och 41 352 miljoner euro vad gäller övriga skulder (där "övriga", i fråga om ovanstående tabell, omfattar övriga skulder som har minskat med 11 miljoner euro till följd av omräkningen).
- (5) Består av förändringar av verkligt värde för räntesäkrade poster i säkringsportföljer, aktuella skatteskulder, upplupna kostnader och förutbetalda intäkter, uppskjutna skatteskulder, avsättningar, pensionsförpliktelser, efterställda skulder och övriga skulder, vilka omfattar fondlikvidskulder, sålda ej innehavda värdepapper, leverantörsskulder, erhållna marginalsäkerheter och övriga.

Avsnitt B – Emittent

Regulatoriska och finansiella nyckeltal⁽¹⁾

	Räkenskapsår		
	2015	2016	2017
Regulatoriska nyckeltal			
Kreditförluster på årsbasis, punkter ⁽²⁾	14	15	12
Kärnprimärkapitalrelation, exklusive Basel I-golv ⁽³⁾⁽⁴⁾ , procent.....	16,5	18,4	19,5
Primärkapitalrelation, exklusive Basel I-golv ⁽³⁾⁽⁴⁾ , procent.....	18,5	20,7	22,3
Total kapitalrelation, exklusive Basel I-golv ⁽³⁾⁽⁴⁾ , procent.....	21,6	24,7	25,2
Primärkapital ⁽³⁾⁽⁴⁾ , miljarder euro	26,5	27,6	28,0
Risikexponeringsbelopp, exklusive Basel I-golv ⁽³⁾ , miljarder euro.....	143	133	126
Ekonomiskt kapital ⁽⁴⁾ , miljarder euro	25,0	26,3	26,7
Finansiella nyckeltal			
Avkastning på eget kapital ⁽⁵⁾ , procent.....	12,2	12,3	9,5
K/I-tal, exklusive poster som påverkar jämförbarheten, procent	47	50	54
Avkastning på ekonomiskt kapital (ROCAR), exklusive poster som påverkar jämförbarheten ⁽⁶⁾ , procent	14,8	13,2	11,1
Aktieinformation och annan information			
Aktiekurs ⁽⁴⁾ , euro	10,15	10,60	10,09
Totalavkastning, procent.....	8,2	16,3	3,6
Föreslagen/verkställd utdelning per aktie, euro.....	0,64	0,65	0,68
Eget kapital per aktie ⁽⁴⁾ , euro.....	7,69	8,03	8,21
Potentiellt antal utestående aktier ⁽⁴⁾ , miljoner.....	4 050	4 050	4 050
Vägt genomsnittligt antal aktier efter utspädning, miljoner	4 031	4 037	4 039
Antal anställda (omräknat till heltidstjänster) ⁽⁴⁾	29 815	31 596	30 399

(1) För definitioner av nyckeltal och termer, se avsnitten ”—Definitioner av regulatoriska nyckeltal” och ”—Definitioner av finansiella nyckeltal” nedan.

(2) Inklusive utlåning till allmänheten som redovisades som tillgångar som innehas för försäljning år 2016.

(3) Inklusive årets resultat.

(4) Vid årets slut.

(5) Nordeakoncernens avkastning på eget kapital, exklusive poster som påverkar jämförbarheten, var 9,5 procent 2017, 11,5 procent 2016 och 12,3 procent 2015.

(6) Avkastning på ekonomiskt kapital (ROCAR), exklusive poster som påverkar jämförbarheten för 2016 har omräknats på grund av ändrad definition av genomsnittligt ekonomiskt kapital.

Definitioner av regulatoriska nyckeltal

Nedan finns definitioner av sådana termer och regulatoriska nyckeltal som används i avsnittet ”—Regulatoriska och finansiella nyckeltal” ovan.

Kreditförluster på årsbasis, punkter..... Kreditförluster, netto (på årsbasis) dividerade med utgående balans för utlåning till allmänheten (utlåning).

Kärnprimärkapitalrelation..... Kärnprimärkapital i procent av risikexponeringsbeloppet.

Primärkapitalrelation

Total kapitalrelation..... Kapitalbasen som andel av risikexponeringsbeloppet.

Kapitalbas

Primärkapital..... Primärkapital definieras i artikel 25 i CRR och utgörs av summan av institutets kärnprimärkapital och övrigt primärkapital. Kärnprimärkapital definieras i artikel 50 i CRR och utgörs av konsoliderat eget kapital exklusive investeringar i försäkringsbolag, föreslagen utdelning, uppskjutna skattefordringar, immateriella tillgångar i bankverksamheten, hela avdraget avseende förväntat underskott (den negativa skillnaden mellan förväntade kreditförluster och gjorda reserveringar) och slutligen övriga avdrag såsom kassaflödessäkringar.

Risikexponeringsbelopp..... Risikexponeringsbelopp definieras i artikel 92.3 i CRR och utgörs av balansomslutningen och poster utanför balansräkningen som värderas utifrån kreditrisken, marknadsrisken och den operativa risken i företagen i Nordeakoncernen enligt gällande kapitaltäckningsregler, exklusive tillgångar i försäkringsbolag, redovisat värde på aktier som avräknats från kapitalbasen och immateriella tillgångar.

Avsnitt B – Emittent

Ekonomiskt kapital Ekonomiskt kapital är ett internt beräknat mått på det kapital som krävs för att säkerställa att bolaget förblir solvent. Tillvägagångssättet inkluderar både pelare 1- och pelare 2-kapital baserat på ett 99,9 procentigt konfidensintervall.

Definitioner av finansiella nyckeltal

Nedan finns definitioner av sådana termer och finansiella nyckeltal som används i avsnittet ”—Regulatoriska och finansiella nyckeltal” ovan.

Avkastning på eget kapital, procent Årets resultat i procent av genomsnittligt eget kapital under året. Övrigt primärkapital, som redovisas som eget kapital, anses i beräkningen vara finansiell skuld. Periodens resultat exkluderar minoritetsintressen och räntekostnader för övrigt primärkapital (upplupen skönsmåsig ränta). Genomsnittligt eget kapital inkluderar periodens resultat och utdelningar tills dessa har betalats, och exkluderar minoritetsintressen och övrigt primärkapital.

K/I-tal, exklusive poster som påverkar jämförbarheten Rörelsekostnader exklusive poster som påverkar jämförbarheten dividerat med rörelseintäkter exklusive poster som påverkar jämförbarheten.

Avkastning på ekonomiskt kapital (ROCAR), exklusive poster som påverkar jämförbarheten, procent Periodens resultat exklusive poster som påverkar jämförbarheten som en andel av ekonomiskt kapital.

Poster som påverkar jämförbarheten Betydande poster som påverkar jämförbarheten mellan räkenskapsår, som väsentlig vinst vid försäljning av affärsverksamheter, omstruktureringskostnader och ändringar i pensionsupplägg.

Avstämningar av vissa finansiella nyckeltal

Nedanstående tabell specificerar poster som påverkar jämförbarheten samt beräkningar av K/I-tal exklusive poster som påverkar jämförbarheten för räkenskapsåren 2015, 2016 and 2017:

	Räkenskapsår		
	2015	2016	2017
	(miljoner euro, om inte annat anges)		
Poster som påverkar jämförbarheten, före skatt:			
Vinst vid avyttring av Nordeas kortinlösenverksamhet till Nets Holding A/S	176	–	–
Kapitalvinst från Visa Inc:s förvärv av Visa Europe Ltd	–	173	–
Omstruktureringskostnader	-263	–	–
Ändringar i pensionsavtalet i Norge	–	86	–
Summa poster som påverkar jämförbarheten före skatt	<u>-87</u>	<u>259</u>	<u>–</u>
Rörelsekostnader	-4 957	-4 800	-5 102
Poster som påverkar jämförbarheten för rörelsekostnader	263	-86	–
Summa rörelsekostnader exklusive poster som påverkar jämförbarheten	<u>-4 694</u>	<u>-4 886</u>	<u>-5 102</u>
Rörelseintäkter	10 140	9 927	9 496
Poster som påverkar jämförbarheten för rörelseintäkter	-176	-173	–
Summa rörelseintäkter exklusive poster som påverkar jämförbarheten	<u>9 964</u>	<u>9 754</u>	<u>9 496</u>
K/I-tal, exklusive poster som påverkar jämförbarheten, procent	47	50	54

Avsnitt B – Emittent

Nedanstående tabell innehåller beräkningar av avkastning på ekonomiskt kapital (ROCAR), exklusive poster som påverkar jämförbarheten, enligt Nordeas definition, för räkenskapsåren 2015, 2016 och 2017:

	Räkenskapsår		
	2015	2016	2017
	(miljoner euro, om inte annat anges)		
Periodens resultat	3 662	3 766	3 048
Poster som påverkar jämförbarheten, netto efter skatt	29	-227	–
Periodens resultat exklusive poster som påverkar jämförbarheten	<u>3 691</u>	<u>3 539</u>	<u>3 048</u>
Genomsnittligt ekonomiskt kapital	25 005	26 773	27 342
Avkastning på ekonomiskt kapital (ROCAR), exklusive poster som påverkar jämförbarheten⁽¹⁾, procent	14,8	13,2	11,1

(1) Avkastning på ekonomiskt kapital (ROCAR), exklusive poster som påverkar jämförbarheten för 2016 har omräknats på grund av ändrad definition av genomsnittligt ekonomiskt kapital.

Avsnitt B – Emittent

Punkt	Informationskrav	Information
B.8	Utvald proforma-redovisning	Ej tillämplig. Prospektet innehåller inte någon proformaredovisning.
B.9	Resultatprognos	Ej tillämplig. Prospektet innehåller inte någon resultatprognos.
B.10	Typ av eventuella anmärkningar i revisionsberättelsen om den historiska finansiella informationen	Ej tillämplig. Det finns inga anmärkningar i revisionsberättelserna om den historiska finansiella informationen.
B.11	Rörelsekapital	Ej tillämplig. Nordea bedömer att koncernens rörelsekapital (dvs. dess möjlighet att få tillgång till likvida medel) är tillräckligt för att möta dess aktuella behov under den kommande tolv månadersperioden från dagen för detta prospekt.

Avsnitt C – Värdepapper

Punkt	Informationskrav	Information
C.1	Slag och kategori av värdepapper som tas upp till handel	Nordea Finland har ett aktieslag vars ISIN-kod är FI4000297767. Enligt Nordea Finlands nuvarande bolagsordning, och den bolagsordning som kommer att gälla efter Nordea Finlands erhållande av tillstånd att bedriva bank- och värdepappersrörelse, kan Nordea Finland endast ge ut ett aktieslag.
C.2	De emitterade aktiernas valuta	Euro.
C.3	Antal emitterade aktier/nominellt värde per aktie	Per dagen för detta prospekt uppgår Nordea Finlands aktiekapital till 5 000 000 euro fördelat på en stamaktie. I samband med verkställandet av Fusionen kommer Nordea Finlands aktiekapital att öka till 4 049 951 919 euro och antalet aktier kommer att öka så att det motsvarar fusionsvederlaget. Nordea Finland avser att genomföra en nyemission riktad till sig självt före verkställandet av Fusionen i syfte att genomföra ett aktierelat incitamentsprogram. Det antal egna aktier som kommer att emitteras i den riktade nyemissionen ska motsvara det antal egna aktier som innehas av Nordea Sverige på dagen för Fusionens verkställande.
C.4	Rättigheter som sammanhänger med värdepapperna	<p>Allmänt</p> <p>Nordea Finland är ett offentligt aktieföretag som är bildat i Finland och som regleras bl.a. av den finska aktieföretagslagen ("FABL"). Nordea Finland kommer vid verkställandet av Fusionen att vara ett offentligt bankaktieföretag och som sådant regleras bl.a. av den finska kreditinstitutslagen och den finska affärsbankslagen.</p> <p>Enligt Nasdaq Helsingfors regelverk ska emitterer vars aktier handlas på Nasdaq Helsingfors officiella lista följa den finska koden för bolagsstyrning.</p>

Avsnitt C – Värdepapper

Punkt	Informationskrav	Information
		<p>Följaktligen måste Nordea Finland följa den finska koden för bolagsstyrning efter Fusionens verkställande och noteringen. Rekommendationerna i den finska koden för bolagsstyrning kompletterar bestämmelser i tillämplig lag och gäller i enlighet med principen ”följ eller förklara”. Ett bolag kan därför avvika från de specifika rekommendationerna i den finska koden för bolagsstyrning förutsatt att det redovisar varje avvikelse och förklarar skälen för denna. Eftersom Nordea Finland måste följa den finska koden för bolagsstyrning, kommer Svensk kod för bolagsstyrning inte att tillämpas av Nordea Finland då tillämpningen av två separata koder skulle kunna leda till motstridiga krav och följder. Bolagsstyrningen i Nordea Finland förväntas inte avvika från den svenska koden för bolagsstyrning i något väsentligt avseende.</p> <p>De rättigheter som sammanhänger med aktierna i Nordea Finland regleras av FABL och andra tillämpliga finska regelverk.</p> <p>Bolagsstämmor</p> <p>Det högsta beslutande organet i Nordea Finland är bolagsstämman, på vilken aktieägarna utövar sin beslutsmakt.</p> <p>Vinstutdelningar och andra utbetalningar av medel</p> <p>Alla aktier i Nordea Finland kommer att ge innehavarna samma rätt till vinstutdelningar och andra utbetalningsbara medel (inklusive utskiftning av Nordea Finlands tillgångar vid en upplösning) efter det att aktierna har registrerats i det finska handelsregistret. Vinstutdelningar och andra utbetalningar av medel betalas ut till de aktieägare eller förvaltare för dessa som är registrerade i aktieägarförteckningen på den relevanta avstämningsdagen. Rätten till vinstutdelning förfaller tre år efter betalningsdagen för vinstutdelningen.</p> <p>I enlighet med rådande praxis i Finland fattas det generellt sett beslut om vinstutdelning i finska aktiebolag, om sådan ska utgå, en gång per år. För ett visst räkenskapsår kan vinstutdelningar, och fritt eget kapital i övrigt, utbetalas efter det att bolagsstämman har beslutat att fastställa räkenskaperna för det aktuella året samt beslutat om beloppet i enlighet med styrelsens förslag. Vidare kan bolagsstämman, enligt finsk rätt, bemyndiga styrelsen att besluta om betalningen av vinstutdelning genom att besluta om ett maximibelopp som får betalas ut.</p> <p>Storleken på en vinstutdelning eller annan utbetalning av fritt eget kapital begränsas av storleken på bolagets utbetalningsbara medel som anges i de räkenskaper på vilka beslutet att betala vinstutdelning eller i övrigt betala ut fritt eget kapital grundar sig, med förbehåll för eventuella väsentliga förändringar i bolagets finansiella ställning som inträffat sedan räkenskaperna upprättades. I Finland får tillgångar inte betalas ut om det då utbetalningsbeslutet fattades var känt eller borde ha varit känt att bolaget var insolvent eller att utbetalningen skulle leda till bolagets insolvens.</p> <p>Enligt finsk rätt måste åtminstone hälften av räkenskapsårets vinst betalas ut som vinstutdelning om aktieägare som innehar minst tio procent av aktierna i bolaget kräver det på en ordinarie bolagsstämma. Enligt finsk rätt ska det från sådan vinstutdelning dras av eventuell vinstutdelning som betalats ut före den ordinarie bolagsstämman och sådana belopp som enligt bolagets bolagsordning inte får delas ut. Vidare får vinst som överstiger det belopp som lagligen kan delas ut utan borgenärernas samtycke och vinst som överstiger åtta procent av bolagets eget kapital inte delas ut. Enligt den finska kreditinstitutslagen gäller därutöver att om storleken på eget kapital eller konsoliderat eget kapital hos ett kreditinstitut understiger kapitalkraven som föreskrivs i Europaparlamentets och rådets förordning (EU) nr 57/2013 av den 26 juni 2013 om tillsynskrav för kreditinstitut och värdepappersföretag och om ändring av förordning (EU) nr 648/2012 (”CRR”), eller i den finska kreditinstitutslagen, får ett kreditinstitut,</p>

Avsnitt C – Värdepapper

Punkt	Informationskrav	Information
		såsom Nordea Finland, inte lämna vinstutdelning om inte den finska Finansinspektionen av en särskild anledning beviljar ett undantag för en bestämd tidsperiod.
C.5	Inskränkningar i rätten att fritt överlåta värdepapperen	Varken finsk rätt eller Nordea Finlands bolagsordning innehåller några inskränkningar i rätten att överlåta aktierna i Nordea Finland, och Nordea Finland känner inte till några överenskommelser mellan aktieägare i detta avseende. Efter erhållandet av tillstånd från den Europeiska centralbanken att bedriva bank- och värdepappersrörelse kommer Nordea Finland dock att vara ett kreditinstitut, vilket innebär att ett direkt eller indirekt förvärv av aktier i Nordea Finland som medför att förvärvarens sammanlagda innehav utgör ett kvalificerat innehav (tio procent eller mer av kapitalet eller rösterna eller ett innehav som annars möjliggör för innehavaren att utöva ett väsentligt inflytande över Nordea Finlands ledning) endast får ske efter godkännande från den Europeiska centralbanken. Ett sådant godkännande från den Europeiska centralbanken krävs även om innehavet uppgår till eller överstiger 20 procent, 30 procent eller 50 procent av kapitalet eller rösterna.
C.6	Upptagande till handel/reglerade marknader där värdepapperen handlas	Aktierna i Nordea Sverige är upptagna till handel på Nasdaq Nordic, börserna i Stockholm (i svenska kronor), Helsingfors (i form av depåbevis avseende Nordea Sveriges aktier med priser noterade i euro) och Köpenhamn (i danska kronor). Nasdaq Helsingfors, Nasdaq Stockholm och Nasdaq Köpenhamn har, med förbehåll för vissa villkor, godkänt att aktierna i Nordea Finland tas upp till handel på deras officiella listor per dagen för verkställandet av Fusionen. I anslutning till detta kommer noteringen av aktierna i Nordea Sverige på Nasdaq Stockholm och Nasdaq Köpenhamn samt noteringen av depåbevisen avseende Nordea Sveriges aktier på Nasdaq Helsingfors att upphöra. Handeln i aktierna i Nordea Finland på de officiella listorna på Nasdaq Helsingfors, Nasdaq Stockholm och Nasdaq Köpenhamn förväntas börja på eller i anslutning till dagen för Fusionens verkställande.
C.7	Utdelningspolicy	Enligt Nordeakoncernens utdelningspolicy strävar Nordeakoncernen efter att upprätthålla en stark kapitalposition i enlighet med dess kapitalpolicy med ambitionen att nå en årlig ökning av utdelning per aktie. I nuläget är avsikten att hålla fast vid denna policy för moderbolaget i Nordeakoncernen oberoende av den föreslagna flytten och Fusionen. Oberoende av eventuell utdelningspolicy som kommer att antas av Nordea Finland kommer Nordea Finland årligen att utvärdera förutsättningarna för att betala vinstutdelning eller annan utbetalning av fritt eget kapital, vilket kan leda till avvikelser från utdelningspolicyn, däribland beslut att inte lämna någon vinstutdelning. Storleken på eventuella vinstutdelningar som kan komma att lämnas av Nordea Finland för ett visst räkenskapsår är därmed osäker. Vidare utgör eventuella vinstutdelningar eller andra utbetalningar av fritt eget kapital av Nordea Finland med avseende på tidigare räkenskapsår inte någon indikation på vilka, om några, vinstutdelningar som kan komma att lämnas för framtida räkenskapsår.

Avsnitt D – Risker

Punkt	Informationskrav	Information
D.1	Huvudsakliga risker som är specifika för emittenten eller dess bransch	<i>Den dagliga verksamheten i Nordeakoncernen, däribland på dess nordiska hemmamarknader, kommer inte att ändras till följd av flytten. Med undantag för de fall då en uttrycklig hänvisning görs till Fusionen och/eller transaktioner som övervägs i samband därmed eller då det framgår av sammanhanget att något annat avses, gäller riskfaktorerna nedan Nordeakoncernens verksamhet både före och efter verkställandet av Fusionen.</i>

Avsnitt D – Risker

Punkt	Informationskrav	Information
		Risker relaterade till Fusionen
		<i>Risker relaterade till Fusionen innefattar, men är inte begränsade till:</i>
		<ul style="list-style-type: none">• det finns risker och osäkerheter förenade med den föreslagna flytten och Fusionen, och ett misslyckande att verkställa, eller en försening av verkställandet av, Fusionen kan negativt påverka Nordeakoncernens verksamhet, resultat och finansiella ställning,• ett misslyckande att verkställa, eller en försening av verkställandet av, de åtgärder som genomförs som ett led i förändringsprocessen i samband med flytten och Fusionen skulle kunna försena verkställandet av, eller leda till ett misslyckande att verkställa, Fusionen och kan negativt påverka Nordeakoncernens verksamhet, resultat och finansiella ställning,• Nordea kan misslyckas med att förverkliga de besparingar som förväntas kunna ske genom flytten och Fusionen, och• det finns en osäkerhet kring den skattemässiga bedömningen av Fusionen i vissa jurisdiktioner och lokala skattemyndigheter kan ifrågasätta Fusionens skatteneutralitet.
		Risker relaterade till Nordeakoncernens verksamhet
		<i>Risker relaterade till den legala och regulatoriska miljö i vilken Nordeakoncernen bedriver sin verksamhet innefattar, men är inte begränsade till:</i>
		<ul style="list-style-type: none">• Nordeakoncernen är föremål för omfattande regelverk som är under ständig förändring,• Nordeakoncernen kan ådra sig väsentliga kostnader vid bevakning och efterlevnad av nya krav enligt regelverk för kapitaltäckning samt återhämtning och resolution,• CRD IV inför kapitalkrav som gäller i tillägg till den lägsta kapitaltäckningskvoten,• nyliga regleringsåtgärder kan påverka Nordeakoncernens finansieringsbehov och kapitalposition,• vid verkställandet av Fusionen kommer tillsynen över Nordeakoncernen att utövas av den Europeiska centralbanken och Nordeakoncernen kommer därmed att omfattas av den europeiska gemensamma tillsynsmekanismen och den europeiska gemensamma resolutionsmekanismen,• Nordeakoncernens verksamhet är förenad med likviditetsrisker,• Nordeakoncernens verksamhetsresultat kan påverkas om dess kapitaltäckningsgrad minskar eller upplevs vara otillräcklig,• legala och regulatoriska krav uppstår i Nordeakoncernens verksamhet,• Nordeakoncernen är utsatt för risk för ändringar i skattelagstiftningen och för skattehöjningar,• förändringar av Nordeakoncernens redovisningsprinciper eller redovisningsstandarder kan väsentligt påverka hur Nordeakoncernen rapporterar sin finansiella ställning och resultat, och• Nordeakoncernens lånekostnader och dess tillgång till kreditmarknaderna är i väsentlig grad beroende av dess kreditbetyg.

Avsnitt D – Risker

Punkt	Informationskrav	Information
		<p>Risker relaterade till makroekonomiska förhållanden innefattar, men är inte begränsade till:</p> <ul style="list-style-type: none"> • negativ ekonomisk utveckling och negativa förhållanden på de marknader där Nordeakoncernen verkar kan negativt påverka Nordeakoncernens verksamhet och resultat, och • störningar och volatilitet på den globala finansmarknaden kan negativt påverka Nordeakoncernen. <p>Risker relaterade till Nordeakoncernens kreditportfölj innefattar, men är inte begränsade till:</p> <ul style="list-style-type: none"> • försämringar av motparters kreditkvalitet kan påverka Nordeakoncernens finansiella resultat, och • Nordeakoncernen är exponerad för kreditrisk. <p>Risker relaterade till marknadsexponering innefattar, men är inte begränsade till:</p> <ul style="list-style-type: none"> • Nordeakoncernen är exponerad för marknadsprisrisk, och • Nordeakoncernen är exponerad för strukturell marknadsrisk. <p>Övriga risker relaterade till Nordeakoncernens verksamhet innefattar, men är inte begränsade till:</p> <ul style="list-style-type: none"> • operativa risker, inklusive risker i samband med placeringsrådgivning, kan påverka Nordeakoncernens verksamhet, • Nordeakoncernens verksamhet utanför de nordiska marknaderna, i synnerhet i Ryssland, är utsatt för risker som inte finns i, eller som i mindre grad finns i, Nordeakoncernens verksamhet på de nordiska marknaderna, • lönsamheten i Nordeakoncernens liv- och pensionsförsäkringsverksamhet beror på föreskrifter och allmänna råd i länder där verksamhet bedrivs, • Nordeakoncernen kan misslyckas med att rekrytera eller behålla högre befattningshavare eller andra nyckelpersoner, • Nordeakoncernen är utsatt för konkurrens på alla marknader, och • Nordeakoncernen kan misslyckas med att framgångsrikt implementera sin strategi.
D.3	Huvudsakliga risker som är specifika för värdepapperen	<p>Risker relaterade till aktierna i Nordea Finland innefattar, men är inte begränsade till:</p> <ul style="list-style-type: none"> • Nordea Finlands förmåga att betala vinstutdelningar eller i övrigt betala ut fritt eget kapital, i enlighet med sin utdelningspolicy eller i övrigt, är beroende av tillgången till utbetalningsbara medel och Nordea Finland kan i framtiden sakna möjlighet att, eller besluta att inte, lämna vinstutdelningar eller i övrigt betala ut fritt eget kapital, • möjliga förändringar i reglerna om finsk källskatt kan komma att leda till att källskatten ökar för icke identifierade förvaltarregistrerade aktieägare, • att Nordea Sveriges aktieägare erhåller fusionsvederlaget kan utlösa beskattning i vissa jurisdiktioner, och aktieägare i Nordea Sverige rekommenderas att konsultera professionella skatterådgivare angående Fusionens skattekonsekvenser,

Avsnitt D – Risker

Punkt	Informationskrav	Information
		<ul style="list-style-type: none">• intressen hos vissa större aktieägare i Nordea Finland kan avvika från eller stå i strid med andra aktieägares intressen,• framtida nyemissioner eller försäljningar av ett större antal aktier i Nordea Finland kan ha en negativ inverkan på marknadspriset på aktierna i Nordea Finland och eventuella framtida nyemissioner kan späda ut befintliga aktieägares innehav,• vissa utländska aktieägare kommer inte nödvändigtvis att kunna utöva sin företrädesrätt enligt FABL eller andra aktieägar rättigheter,• marknadspriset på aktierna i Nordea Finland kan fluktuera avsevärt,• genomförandet av transaktioner i aktier i Nordea Finland är beroende av fungerande processer, system och samarbete hos och mellan Euroclear Finland Oy, Euroclear Sweden AB och VP Securities A/S, och• investerare som har en annan referensvaluta än euro kommer att utsättas för vissa valutarisker i samband med investeringar i aktier i Nordea Finland.

Avsnitt E – Erbjudandet

Punkt	Informationskrav	Information
E.1	Nettointäkter/beräknade kostnader	Nordea Finland kommer inte att erhålla någon emissionslikvid i samband med Fusionen. De sammanlagda kostnaderna för Nordea i samband med flytten av sätet och Fusionen omfattar primärt finansieringsrelaterade kostnader för verkställandet och projektkostnader, inklusive IT-projekt, legala kostnader samt rådgivningskostnader, men exklusive personalkostnader, och beräknas uppgå till cirka 100 miljoner euro före skatt (odiskonterat), varav 11 miljoner euro hade uppstått per den 31 december 2017.
E.2a	Motiven till erbjudandet/användning av medel/beräknat nettobelopp för medlen	<p>Under det första kvartalet 2017 inledde Nordea en utredning av möjligheterna att hantera det svenska regelverkets påverkan på Nordeakoncernen, inklusive dess avvikelser från det regelverk som är tillämpligt inom EU:s bankunion. De möjligheter som utvärderades innefattade bl.a. en flytt av Nordeakoncernens huvudkontor från Sverige.</p> <p>Efter det att utredningen hade slutförts beslutade styrelsen för Nordea Sverige den 6 september 2017 att inleda en flytt av sätet för moderbolaget i Nordeakoncernen från Sverige till Finland, som är med i EU:s bankunion. Detta beslut grundade sig på att Nordeakoncernens unika nordiska och internationella struktur innebär att de befintliga nationella regelverken inte har varit helt ändamålsenliga för Nordeakoncernens verksamhetsmodell och dess senaste strategiska utveckling. Nordea Sverige förutser att flytten av moderbolagets säte till ett land som är medlem i EU:s bankunion kommer att innebära att Nordeakoncernen omfattas av liknande regelverk som andra jämförbara europeiska banker, med en mer konsekvent regeltillämpning och därmed mer jämlika förutsättningar. Nordea Sverige förutser att detta kommer att främja kunders, aktieägares och medarbetares intressen. Nordeakoncernens dagliga verksamhet, däribland på dess nordiska hemmamarknader, kommer inte att ändras till följd av flytten, och ur ett kundperspektiv förväntas inga förändringar i den dagliga verksamheten.</p> <p>Nordea Sverige uppskattar att nuvärdet av de totala besparingarna hänförliga till resolutionsavgifter, insättningsgarantier och andra övergående effekter på grund av flytten till Finland uppgår till cirka 0,9–1,2 miljarder euro. Av nuvärdet av de totala besparingarna förväntas 0–90 miljoner euro kunna realiseras mellan 2017 och 2019 samt 900–1 070 miljoner euro efter 2019. De resolutionsavgifter och avgifter till insättningsgarantisystemet som ska betalas 2018 beräknas öka med</p>

Avsnitt E – Erbjudandet

Punkt	Informationskrav	Information
E.3	Erbjudandets former och villkor	<p data-bbox="576 219 1442 304">cirka 60–130 miljoner euro jämfört med 2017. För 2019 beräknas dessa kostnader vara mellan 10 miljoner euro lägre till 60 miljoner euro högre än 2017.</p> <p data-bbox="576 333 1442 696"><i>Ovanstående diskussion innefattar Nordea Sveriges förväntningar med avseende på nuvärdet av de besparingar hänförliga till resolutionsavgifter, insättningsgarantier och andra övergående effekter som Nordea Sveriges flytt till Finland medför. Nordea Sverige har beräknat det förväntade nuvärdet av påverkan av flytten till Finland genom att diskontera framtida effekter, efter skatt, på resultaträkningen till följd av bytet av säte baserat på information som är tillgänglig för Nordea Sverige per dagen för detta prospekt. De beräkningar som ligger till grund för nuvärdena av de förväntade besparingarna har baserats på nu gällande lagstiftning och på antagandet att flytten och Fusionen genomförs skatteneutralt genom en gränsöverskridande omvänd fusion i form av absorption inom den tidplan som för närvarande övervägs, dvs. senast den 1 oktober 2018.</i></p> <p data-bbox="576 725 1442 965"><i>De nuvärdesuppskattningar som diskuteras i detta avsnitt kan förändras och de baseras på ett antal antaganden och bedömningar relaterade till bl.a. storleken på framtida resolutionsavgifter och insättningsgarantier och övergående effekter på grund av Fusionen, och har gjorts baserat på Nordea Sveriges nuvarande förväntning på utvecklingen av kommersiella, regulatoriska och ekonomiska villkor. Uppskattningarna återspeglar inte oförutsedda händelser, som bl.a. kan föranledas av förändringar i regelverk, inklusive tillämpliga kapitalkrav, som Nordeakoncernen kan omfattas av.</i></p> <p data-bbox="576 994 1442 1323">Den 25 oktober 2017 undertecknade styrelserna för Nordea Sverige och Nordea Finland fusionsplanen, som innehåller villkoren för Fusionen. Enligt fusionsplanen föreslår styrelserna för Nordea Sverige och Nordea Finland att Nordea Sverige ska fusioneras med Nordea Finland genom Fusionen, vilken föreslås bli genomförd genom en gränsöverskridande omvänd fusion i form av absorption enligt bestämmelserna i 16 kap. 19–28 §§ FABL och, i tillämpliga delar, 2 kap. finska affärsbankslagen samt 23 kap. 36 § (med vidare hänvisningar) svenska aktiebolagslagen (2005:551) och 10 kap. 18–25 b §§ svenska lagen (2004:297) om bank- och finansieringsrörelse. Nordea Sverige kommer automatiskt att upplösas på dagen för Fusionens verkställande som en följd av Fusionen.</p> <p data-bbox="576 1352 1442 1682">Aktieägarna i Nordea Sverige kommer som fusionsvederlag att erhålla en (1) ny aktie i Nordea Finland för varje aktie som de äger i Nordea Sverige på dagen för Fusionens verkställande, vilket innebär att fusionsvederlaget kommer att lämnas till aktieägarna i Nordea Sverige i proportion till deras befintliga aktieinnehav, med ett utbytesförhållande om 1:1. Utbytesförhållandet har bestämts mot bakgrund av att Nordea Finland är ett helägt dotterbolag till Nordea Sverige, utan någon egen verksamhet, varför värdet på samtliga aktier i Nordea Finland efter Fusionen återspeglar värdet på samtliga aktier i Nordea Sverige. Aktiekapitalet i Nordea Finland kommer att ökas från 5 000 000 euro till 4 049 951 919 euro, vilket motsvarar aktiekapitalet i Nordea Sverige i samband med verkställandet av Fusionen.</p> <p data-bbox="576 1711 1442 2040">Styrelsen för Nordea Sverige kommer att lägga fram fusionsplanen för aktieägarnas i Nordea Sverige godkännande på årsstämman som är avsedd att hållas den 15 mars 2018. Ett godkännande förutsätter minst två tredjedelars majoritet av såväl de avgivna rösterna som de på stämman företrädde aktierna. Om årsstämman inte godkänner fusionsplanen, faller Fusionen. Utöver årsstämmans i Nordea Sverige godkännande är verkställandet av Fusionen villkorat av bl.a. nödvändiga myndighetstillstånd och interna godkännanden. Styrelsen för Nordea Sverige rekommenderar att Nordea Sveriges årsstämma godkänner fusionsplanen. De myndighetstillstånd som behövs för verkställandet av Fusionen innefattar bl.a. ett tillstånd från den svenska Finansinspektionen, vilken, som ett led i tillståndsprocessen, kommer att bedöma om Nordea</p>

Avsnitt E – Erbjudandet

Punkt	Informationskrav	Information
		<p>Sveriges borgenärer tillförsäkras en betryggande säkerhet, om ett sådant skydd behövs med hänsyn till Nordea Sveriges och Nordea Finlands ekonomiska förhållanden och Nordea Sveriges insättares och andra borgenärers intressen. Vidare kan Finansinspektionen avslå ansökan om det är motiverat med hänsyn till allmänintresset.</p> <p>Under förutsättning att villkoren för verkställandet av Fusionen har uppfyllts kommer Fusionen att verkställas när Fusionen registrerats i det finska handelsregistret, vilket förväntas ske under andra halvåret 2018, preliminärt den 1 oktober 2018. Samtidigt kommer aktieägarna i Nordea Sverige att bli aktieägare i Nordea Finland. Nordea Sverige kommer automatiskt att upplösas på dagen för Fusionens verkställande som en följd av Fusionen.</p> <p>Bokföringsmässigt och legalt sett kommer Nordea Sveriges rättigheter och skyldigheter samt tillgångar och skulder att övergå enligt lag till Nordea Finland på dagen för Fusionens verkställande genom universalsuccession i enlighet med tillämpliga finska och svenska aktiebolagslagar och Nordea Sveriges transaktioner kommer att betraktas som gjorda av Nordea Finland. Nordea Finland kommer att ändra sin firma till Nordea Bank Abp senast på dagen för Fusionens verkställande. Nordea Finland kommer, genom Fusionen, formellt sett att överta Nordea Sveriges och dess filialers firmor och parallellfirmor samt dess bifirmor och översättningar därav. I samband med verkställandet av Fusionen kommer dock firmorna för Nordea Finlands nya filialer i Sverige och i bl.a. Danmark och Norge samt Estland, Kina, Polen, Singapore, Storbritannien, Tyskland och USA att uppdateras för att återspegla det nya moderbolaget i Nordeakoncernen.</p> <p>Enligt svensk rätt har aktieägarna i det överlåtande bolaget inte rätt att kräva inlösen av sina aktier vid den bolagsstämma som beslutar om fusionen. Till skillnad från vad som gäller enligt finsk rätt har aktieägare i Nordea Sverige som röstar mot Fusionen därför inte rätt att kräva inlösen av sina aktier vid årsstämman i Nordea Sverige. Aktieägare i Nordea Sverige som inte vill erhålla aktier i Nordea Finland som fusionsvederlag måste avyttra sina aktier i Nordea Sverige senast den 28 september 2018.</p> <p>Om fusionsplanen godkänns av årsstämman i Nordea Sverige, behöver aktieägare i Nordea Sverige som önskar vara kvar som aktieägare i Nordea Finland efter Fusionen inte vidta några åtgärder i samband med Fusionen.</p>
E.4	Intressen som har betydelse för emissionen/ intressekonflikter	Ej tillämplig.
E.5	Namn på den person som erbjuder att sälja värdepapperen	Ej tillämplig.
	Lock-up avtal	Ej tillämplig.
E.6	Utspädnings effekt	Ej tillämplig.
E.7	Beräknade kostnader som ska åläggas investerare	Ej tillämplig. Inga kostnader kommer att åläggas investerare i Nordea Finland i samband med Fusionen.

DANSK RESUMÉ

Resuméer består af oplysningskrav, der benævnes 'Elementer'. Elementerne er nummereret i afsnit A–E (A.1–E.7).

Dette resumé indeholder alle de Elementer, der skal være indeholdt i et resumé for denne type værdipapir og udsteder. Da ikke alle Elementer kræves medtaget i resuméet, kan der forekomme spring i nummereringen af Elementerne.

Selvom et Element skal indsættes i resuméet på grund af typen af værdipapir og udsteder, kan det forekomme, at der ikke kan gives nogen relevante oplysninger om Elementet. I så fald gives en kort beskrivelse af Elementet i resuméet med angivelsen 'ikke relevant'.

Afsnit A – Indledning og advarsler

Element	Oplysningskrav	Oplysninger
A.1	Indledning	<i>Dette resumé bør læses som en indledning til Prospektet. Enhver beslutning om investering i aktier i Nordea Finland bør træffes af investorerne på baggrund af Prospektet som helhed. Hvis en sag vedrørende oplysningerne i Prospektet indbringes for en domstol, kan den sagsøgende investor i henhold til national lovgivning i medlemsstaterne være forpligtet til at betale omkostningerne i forbindelse med oversættelse af Prospektet, inden sagen indledes. Kun de personer, som har indgivet resuméet, herunder eventuelle oversættelser heraf, kan ifalde et civilretligt erstatningsansvar, men kun såfremt resuméet er misvisende, ukorrekt eller uoverensstemmende, når det læses sammen med de øvrige dele af Prospektet, eller hvis det ikke, når det læses sammen med Prospektets øvrige dele, indeholder nøgleoplysninger som hjælp til investorernes overvejelser om, hvorvidt de vil investere i aktierne i Nordea Finland.</i>
A.2	Samtykke til efterfølgende videresalg eller endelig placering af værdipapirer/udbudspriode/betingelser for samtykke	Ikke relevant.

Afsnit B – Udsteder

Element	Oplysningskrav	Oplysninger
B.1	Juridisk og kommercielt navn	<p>Nordea Bank AB (publ) (dvs. Nordea Sverige) er moderselskab i Nordea koncernen pr. Prospektdatoen. Den 6. september 2017 besluttede bestyrelsen i Nordea Sverige at påbegynde en proces for flytning af Nordea koncernens moderselskabs hovedsæde fra Sverige til Finland, et land der er tilsluttet den Europæiske Unions ("EU") bankunion. Nordea Sverige forventer, at flytningen tjener kundernes, aktionærernes og medarbejdernes interesser bedst. Nedenstående afsnit E.2a indeholder yderligere oplysninger om baggrunden for beslutningen om flytning af hovedsæde samt de forventede fordele herved.</p> <p>Der er stillet forslag om, at flytningen af hovedsæde sker ved Fusionen, hvorved forstås en grænseoverskridende omvendt lodret fusion, hvor Nordea koncernens nuværende moderselskab absorberes i Nordea Holding Abp (<i>på finsk: Nordea Holding Oyj</i>), et nystiftet finsk datterselskab af Nordea Sverige. Nordea Finland ændrer derefter navn til Nordea Bank Abp senest på Gennemførelsesdagen. Efter Fusionens gennemførelse vil Nordea koncernens moderselskab være Nordea Bank Abp (dvs. Nordea Finland).</p> <p>Gennemførelsen af Fusionen sker blandt andet under forudsætning af, at Fusionsplanen godkendes på Nordea Sveriges ordinære generalforsamling; at alle godkendelser og tilladelser mv. fra relevante myndigheder foreligger, herunder men ikke begrænset til at Nordea Finland har opnået godkendelse fra den Europæiske Centralbank (ECB) til at drive bankvirksomhed og investeringsaktivitet og yde investeringservice; at aktierne i Nordea Finland optages til handel på de regulerede markeder Nasdaq Stockholm, Nasdaq Helsinki og Nasdaq Copenhagen, når Fusionsvederlaget erlægges; at Fusionen</p>

Afsnit B – Udsteder

Element	Oplysningskrav	Oplysninger
		ikke forbydes, eller der efter bestyrelserne i Nordea Sverige og Nordea Finlands opfattelse foreligger hindringer; og at gennemførelsen af Fusionen er anmeldt til det finske selskabsregister. Det forventes, at gennemførelsen af Fusionen anmeldes til det finske selskabsregister i løbet af andet halvår 2018, forventeligt den 1. oktober 2018. Nordea Sverige opløses automatisk på Gennemførelsesdagen som følge af Fusionen.
B.2	Hjemsted/selskabsform/ lovgivning/ indregistreringsland	<p>Nordea Sverige er et bankaktieselskab, der er stiftet i henhold til svensk ret med hjemsted i Sverige.</p> <p>Nordea Finland er et aktieselskab, der er stiftet i Finland i henhold til finsk ret med hjemsted i Finland. Nordea Finland vil ved Fusionens gennemførelse være et bankaktieselskab og vil derfor blandt andet være underlagt den finske lov om kreditinstitutter (på finsk: <i>laki luottolaitostoiminnasta (610/2014)</i>) (den ”Finske Lov om Kreditinstitutter”) samt den finske banklov (på finsk: <i>laki liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista (1501/2001)</i>) (den ”Finske Banklov”).</p>
B.3	Nuværende virksomhed og hovedaktiviteter	<p>Nordea koncernens daglige drift, herunder på de nordiske hjemmemarkeder, vil ikke ændre sig som følge af flytningen af hovedsæde, og i relation til kunderne forventes der ingen ændringer i den daglige drift.</p> <p>Nordea koncernen er den største finanskoncern på de nordiske markeder (Danmark, Finland, Norge og Sverige) målt på samlede indtægter. Nordea koncernen har endvidere aktiviteter i Rusland og Luxembourg og er repræsenteret med filialer i en række andre lande. Nordea koncernen har desuden aktiviteter i Estland, Letland og Litauen via den baltiske bank Luminor, der ejes af Nordea og DNB ASA (”DNB”) og som omfatter Nordea koncernens og DNB’s kunder på tværs af de tre markeder. Det er Nordeas opfattelse, at koncernen har det største kundegrundlag blandt de finanskoncerner, der har base i de nordiske markeder, med over 10 mio. kunder fordelt på de markeder, hvor koncernen er repræsenteret, herunder ca. 9,6 mio. privatkunder og ca. 0,6 mio. erhvervs-kunder og institutionelle kunder pr. 31. december 2017. Pr. 31. december 2017 udgjorde Nordea koncernens aktiver i alt EUR 581,6 mia. og kernekapitalen (tier 1) i alt EUR 28,0 mia., og Nordea koncernen var den største formueforvalter med base i Norden med EUR 330,4 mia. i kapital under forvaltning.</p> <p>Nordea koncernen tilbyder i sin egenskab af universalbank en lang række bankprodukter og finansielle produkter og serviceydelser til privatkunder og erhvervs-kunder, herunder finansielle institutioner. Nordea koncernen tilbyder en lang række bankprodukter og -ydelser til privatkunder, herunder realkreditlån, forbrugslån, kredit- og hævekort samt et stort udbud af opsparingskonti, livsforsikrings- og pensionsprodukter. Nordea koncernen har endvidere et bredt udbud af bankydelser til erhvervs-kunder, herunder erhvervsudlån, likviditetsstyring, betalings- og kontoydelser, produkter til risikostyring samt rådgivning, gælds- og aktierelaterede produkter til fremskaffelse af likviditet og kapital samt corporate finance, kapitalforvaltning til institutionelle kunder samt livs- og pensionsprodukter til erhvervs-kunder. Nordea koncernen formidler endvidere generelle forsikringsprodukter. Med filialer på ca. 500 lokaliteter, kontaktcentre i hvert af de nordiske markeder og en yderst konkurrencedygtig netbank har Nordea koncernen desuden det største distributionsnet for kunder på de nordiske markeder.</p> <p>Det er Nordea koncernens ambition og vision at drive virksomhed som ”Ét Nordea” i hele Norden. For at realisere denne ambition og vision indførte Nordea koncernen i 2015 en ny transformationsagenda, der blandt andet indebar væsentlige investeringer i teknologi for at etablere ét enkelt system til alle kernebankprodukter. Nordea koncernen vil fortsætte udviklingen hen imod ”Ét Nordea” og skabe fremtidens relationsbank gennem en styrkelse af kulturen og konsekvent eksekvering med fokus på følgende fire hovedområder: en klar</p>

Afsnit B – Udsteder

Element	Oplysningskrav	Oplysninger
		kundevision, en fælles måde at arbejde på, forenkling af de fælles systemer og fælles værdier. I tråd med denne ambition omfatter Nordea koncernens strategiske prioriteter en styrkelse af Nordea koncernens kundecentrerede organisation, digitaliserings- og distributionstransformation, forenkling samt tillid og ansvar.
B.4a	De væsentligste nyere tendenser for udsteder og dennes branche	Nordea koncernens resultater påvirkes i væsentlig grad af, og vil efter flytning af hovedsæde og Fusionen fortsat være under væsentlig påvirkning af, den generelle økonomiske situation i de lande, hvor koncernen driver virksomhed, især på de nordiske markeder (Danmark, Finland, Norge og Sverige) og i mindre udstrækning i Rusland samt i de baltiske lande som følge af Nordeas ejerandel i Luminor, som er en baltisk bank ejet af Nordea og DNB, og som omfatter Nordeas og DNB's kunder Estland, Letland og Litauen. Gennem de seneste år har den økonomiske udvikling i Norden generelt været mere gunstig end i resten af Europa, idet de offentlige finansers stabilitet generelt har haft en positiv indflydelse på den økonomiske udvikling. Der har dog været forskelle mellem udviklingen i de enkelte lande i Norden. I 2015 oplevede den svenske økonomi en vækst på over 3 %. I Danmark var den økonomiske vækst stabil i begyndelsen af 2015, men væksten aftog en smule i andet halvår af 2015. Den norske økonomi oplevede vækst i første del af 2015, men var i stigende grad påvirket af de hurtigt faldende oliepriser senere på året. Udviklingen i den finske økonomi i 2015 var noget mere afdæmpet med svingende positive og negative vækstrater i årets løb. I 2016 divergerede udviklingen i de nordiske landes økonomier. Sverige oplevede fortsat en udvikling med stærk vækst, der igen oversteg 3 %. I Danmark var der i begyndelsen af året stabil vækst i økonomien, men væksten aftog en smule i anden halvdel af 2016. Overordnet set var årets udvikling dog positiv, og dermed fortsatte tendensen med gradvise stigninger. I begyndelsen af 2016 fortsatte væksten i den norske økonomi, men de faldende oliepriser havde en gradvis negativ indflydelse. Selvom den finske økonomi vækstede i 2016, var den økonomiske udvikling i Finland mere behersket som følge af både positive og negative vækstrater i løbet af årets kvartaler. Der var i 2017 øget vækst i den globale økonomi med en moderat stigning i inflationen og lav kursvolatilitet på de finansielle markeder. På trods af en række foruroligende geopolitiske tendenser var der en stærk stigning i globale aktivpriser, og volatiliteten på de finansielle markeder var ekstremt lav i 2017. Der var fortsat stor støtte fra centralbankerne. Væksten i den amerikanske økonomi steg i et robust tempo, og den amerikanske centralbank fortsatte sin politik med normalisering af rentesatsen. Væksten i den europæiske økonomi var den højeste siden 2011 understøttet af lav rente, faldende arbejdsløshed og stærk efterspørgsel på hjemmemarkederne. Bekymringer om vækstmarkeder blev mindre og mindre i takt med stigende aktivitet i verdenshandlen og højere råvarepriser. I 2017 var der ensartet vækst i de nordiske økonomier for første gang i mange år. I Sverige var det økonomiske klima fortsat stærkt med en vækst på over 2,5 %, mens stigningen i væksten i den danske økonomi var 2 % på trods af negativ vækst i tredje kvartal forårsaget af nogle midlertidige faktorer. Væksten i Norge gik ligeledes i den rigtige retning understøttet af olieprisens fremgang og lav arbejdsløshed. I Finland vækstede økonomien med over 3 % som følge af stærk efterspørgsel på hjemmemarkedet og stigende eksport. I de senere år har den russiske økonomi været negativt påvirket af krisen på Krim og i det østlige Ukraine.
B.5	Koncernstruktur	Nordea koncernen består af moderselskabet Nordea Sverige og dets konsoliderede datterselskaber. Efter Fusionens gennemførelse vil Nordea koncernens moderselskab være Nordea Finland.
B.6	Flagningspligtige interesser	Nordea Sveriges aktionærer vil som fusionsvederlag modtage én ny aktie i Nordea Finland for hver aktie i Nordea Sverige, som de ejer pr. Gennemførelsesdagen (dvs. Fusionsvederlaget), således at Fusionsvederlaget udstedes til Nordea Sveriges aktionærer i forhold til deres eksisterende aktiebeholdning med et ombytningsforhold på 1:1. Umiddelbart efter gennemførelsen af Fusionen vil Nordea Finlands aktionærgrundlag derfor være

Afsnit B – Udsteder

<u>Element</u>	<u>Oplysningskrav</u>	<u>Oplysninger</u>	
		identisk med Nordea Sveriges aktionærgrundlag, som det så ud umiddelbart inden gennemførelse af Fusionen.	
		Efter Nordea Sveriges oplysninger har følgende aktionærer en direkte eller indirekte interesse i Nordea Sveriges aktiekapital eller stemmerettigheder, der er flagningspligtig i henhold til svensk ret og finsk ret pr. 31. januar 2018:	
		<u>Antal aktier</u> <u>(mio.)</u>	<u>% af aktier</u> <u>og stemmer⁽¹⁾</u>
		Sampo plc	860,4 21,3

(1) Ekskl. aktier udstedt i henhold til langsigtede incitamentsprogrammer ("LTIPs").

Afsnit B – Udsteder

Element	Oplysningskrav	Oplysninger
B.7	Udvalgte historiske regnskabsoplysninger	Udvalgte konsoliderede finansielle poster og andre forhold i Nordea koncernen

De udvalgte konsoliderede oplysninger fra resultatopgørelsen og balancen, som fremgår nedenfor, er hentet fra Nordea koncernens reviderede konsoliderede årsregnskaber pr. henholdsvis den 31. december 2015, 2016 og 2017 sammen med justerede sammenligningstal for regnskabsåret med afslutning den 31. december 2015, som indgår i Nordea koncernens reviderede koncernregnskaber for regnskabsåret med afslutning den 31. december 2016, som er indarbejdet i dette Prospekt ved henvisning. De pågældende årsregnskaber er udarbejdet i henhold til de internationale regnskabsstandarder ("IFRS"), som er godkendt af Europa-Kommissionen. Nordea Finland, der er Nordea koncernens moderselskab efter gennemførelse af Fusionen, blev registreret i det finske selskabsregister den 27. september 2017, og der foreligger ikke historiske årsregnskaber for Nordea Finland. Nordea koncernens reviderede konsoliderede årsregnskaber, der er indarbejdet ved henvisning i dette Prospekt, er udarbejdet for Nordea koncernen med Nordea Sverige som moderselskab. Da Nordea koncernens konsoliderede regnskaber behandler Fusionen som en omstrukturering inden for den konsoliderede koncern, medfører Fusionen som en koncernintern transaktion ingen ændringer af den regnskabsafleggende enhed i henhold til IFRS. De konsoliderede regnskaber for Nordea Finland, Nordea koncernens nye moderselskab, vil afspejle kontinuum i den regnskabsmæssige værdi angivet i de konsoliderede regnskaber for Nordea Sverige, Nordea koncernens tidligere moderselskab, som er indarbejdet i dette Prospekt ved henvisning.

Udvalgte poster fra konsolideret resultatopgørelse

	For regnskabsåret med afslutning den 31. december		
	2015	2016	2017
	(EUR mio. medmindre andet er anført)		
Netto renteindtægter	4.963 ⁽¹⁾	4.727	4.666
Gebyr- og provisionsindtægter, netto	3.230 ⁽¹⁾	3.238	3.369
Nettoresultat af poster til dagsværdi (kursreguleringer)	1.645 ⁽¹⁾	1.715	1.328
Overskud fra associerede virksomheder beregnet efter den indre værdis metode	39	112	23
Andre driftsindtægter	263	135	83
Driftsindtægter i alt	10.140	9.927	9.469
Generelle administrationsudgifter:			
Personaleomkostninger	(3.263)	(2.926)	(3.212)
Øvrige udgifter	(1.485)	(1.646)	(1.622)
Afskrivning, amortisering og nedskrivning på materielle og immaterielle aktiver	(209)	(228)	(268)
Driftsudgifter i alt	(4.957)	(4.800)	(5.102)
Resultat før tab på udlån	5.183	5.127	4.367
Nedskrivninger på udlån og tilgodehavender	(479)	(502)	(369)
Driftsresultat	4.704	4.625	3.998
Skat	(1.042)	(859)	(950)
Årets resultat	3.662	3.766	3.048
Årets resultatfordeling:			
Aktionærerne i Nordea Bank AB (publ)	3.662	3.766	3.031
Minoritetsinteresser	–	–	17
I alt	3.662	3.766	3.048
Aktuel indtjening pr. aktie, EUR	0,91	0,93	0,75
Udvandet indtjening pr. aktie, EUR	0,91	0,93	0,75

(1) På grund af (i) en omklassificering i 2016 af refinansierings- og udbetalingsgebyrer modtaget i forbindelse med realkreditudlån i Danmark fra "nettoresultat fra poster til dagsværdi" til "gebyr- og provisionsindtægter, netto"; og (ii) en omklassificering i 2016 af statsgaranterede gebyrer fra "gebyr- og provisionsindtægter" til "renteindtægter", har Nordea koncernen foretaget regnskabsmæssige justeringer af sammenligningstallene for resultatopgørelse for regnskabsåret med afslutning den 31. december 2015, der er indeholdt i det reviderede koncernårsregnskab for Nordea koncernen for regnskabsåret med afslutning den 31. december 2016. De justerede regnskabstal for 2015 er ikke reviderede. De reviderede poster, for hvilket der ikke er foretaget regnskabsmæssige justeringer, for regnskabsåret med afslutning den 31. december 2015 udgør for renteindtægter EUR 5.110 mio., for gebyr- og provisionsindtægter EUR 3.025 mio. og nettoresultat fra poster til dagsværdi EUR 1.703 mio.

Afsnit B – Udsteder

Udvalgte poster fra den konsoliderede balance

	Pr. 31. december		
	2015	2016 (EUR mio.)	2017
Kassebeholdning og mellemværende med centralbanker.....	35.500	32.099	43.081
Tilgodehavender hos centralbanker	13.224	11.235	4.796
Tilgodehavender hos kreditinstitutter	10.762 ⁽¹⁾	9.026	8.592
Udlån til offentligheden	340.920	317.689	310.158
Rentebærende værdipapirer.....	86.535 ⁽¹⁾	87.701	75.294
Finansielle instrumenter pantsat til sikkerhed.....	8.341	5.108	6.489
Aktier.....	22.273 ⁽¹⁾	21.524	17.180
Aktiver i puljeordninger og unit-link investeringsaftaler ⁽¹⁾	20.434 ⁽¹⁾	23.102	25.879
Afledte finansielle instrumenter.....	80.741	69.959	46.111
Andre aktiver ⁽²⁾	28.138 ⁽¹⁾	29.319	21.846
Aktiver i midlertidig besiddelse ⁽³⁾	–	8.897	22.186
Aktiver i alt	646.868	615.659	581.612
Gæld til kreditinstitutter	44.209	38.136	39.983
Indlån og lån fra offentligheden.....	189.049 ⁽⁴⁾	174.028	172.434
Indlån i puljeordninger og unit-link investeringsaftaler	21.088 ⁽⁴⁾	23.580	26.333
Forpligtelser over for forsikringstagere	38.707 ⁽⁴⁾	41.210	19.412
Udstedte gældsinstrumenter	201.937	191.750	179.114
Afledte finansielle instrumenter.....	79.505	68.636	42.713
Andre passiver ⁽⁵⁾	41.341 ⁽⁴⁾	41.021	42.276
Forpligtelser vedr. aktiver i midlertidig besiddelse ⁽³⁾	–	4.888	26.031
Passiver i alt	615.836	583.249	548.296
Egenkapital i alt	31.032	32.410	33.316
heraf hybridkernekapitalholdere.....	–	–	750
heraf minoritetsinteresser	1	1	168
Passiver og egenkapital i alt	646.868	615.659	581.612

- (1) Nordea koncernen omklassificerede i 2016 visse rentebærende værdipapirer og aktier til den særskilte balancepost "aktiver i puljeordninger og unit-link investeringsaftaler", således at denne post angives særskilt fra aktiver for hvilke Nordea koncernen har en investeringsrisiko. På grund af denne ændring har Nordea koncernen foretaget regnskabsmæssige justeringer af sammenligningstallene for "tilgodehavender hos kreditinstitutter", "rentebærende værdipapirer", "aktier", "investeringsjendomme" og "andre aktiver" pr. 31. december 2015 indeholdt i Nordea koncernens reviderede konsoliderede regnskab for regnskabsåret med udløb den 31. december 2016. De justerede regnskabstal pr. 31. december 2015, der fremgår ovenfor, er ureviderede. De tilsvarende reviderede poster for hvilke der ikke er foretaget regnskabsmæssige justeringer pr. 31. december 2015 er EUR 10.959 mio. for tilgodehavender hos kreditinstitutter, EUR 88.176 mio. for rentebærende værdipapirer, EUR 40.745 mio. for aktier og EUR 28.262 mio. for andet (hvilket, som fremgår ovenfor, omfatter investeringsejendomme, som faldt med EUR 111 mio. og andre aktiver, der faldt med EUR 13 mio. på grund af justeringerne).
- (2) Bestående af ændringer i dagsværdi af de gearede poster i portefølje gearing af renterisiko, investeringer i associerede virksomheder og joint ventures, immaterielle aktiver, ejendomme og udstyr, investeringsejendomme, udskudte skatteaktiver, aktuelle skatteaktiver, pensionsaktiver, forudbetalte udgifter og periodeafgrænsningsposter, samt andre aktiver, hvilket omfatter krav om provenu på værdipapirer, kontant/margin tilgodehavender og andet.
- (3) Aktiver i midlertidig besiddelse og forpligtelser vedr. aktiver i midlertidig besiddelse pr. 31. december 2017 relaterer sig til Nordeas beslutning om at sælge yderligere 45 % af aktierne i det danske selskab Nordea Liv & Pension Livsforsikringssselskab A/S. Aktiver i midlertidig besiddelse og forpligtelser vedr. aktiver i midlertidig besiddelse pr. 31. december 2016 består af Nordea koncernens baltiske virksomhed samt udlån til detailkunder i Rusland. Aktiver og passiver relateret til ikke-omsætningsaktiver fremgår af de særskilte balanceposter "aktiver i midlertidig besiddelse" og "forpligtelser vedr. aktiver i midlertidig besiddelse" fra omklassificeringsdagen.
- (4) På grund af ændring af regnskabspraksis som nævnt i ovenstående fodnote (1), flyttede Nordea koncernen i 2016 passiverne svarende til aktiverne i puljeordninger og unit-link investeringsaftaler til de særskilte balanceposter "indskud i puljeordninger og unit-link investeringsaftaler", eftersom disse passiver opfører sig anderledes end normale indskud modtaget fra kunder. På grund af denne omklassificering har Nordea koncernen justeret sammenligningstallene for "indlån og udlån fra offentligheden", "forpligtelser over for forsikringstagere" og "andre passiver" pr. 31. december 2015, der fremgår af Nordea koncernens reviderede konsoliderede regnskab for regnskabsåret med udløb den 31. december 2016. De justerede regnskabstal, pr. 31. december 2015, som fremgår ovenfor, er ureviderede. De tilsvarende reviderede poster, for hvilke der ikke er foretaget regnskabsmæssige justeringer pr. 31. december 2015, er EUR 193.342 mio. for indlån og udlån fra offentligheden, EUR 55.491 mio. for forpligtelser over for forsikringstagere, og EUR 41.352 mio. for andre passiver (der, som defineret i ovenstående tabel, omfatter andre passiver, som faldt med EUR 11 mio. på grund af denne justering) pr. 31. december 2015.
- (5) Bestående af ændringer i dagsværdi af de gearede poster i portefølje gearing af renterisiko, aktuelle skattetilsvær, periodeafgrænsningsposter og forudbetalt indkomst, udskudt skattetilsvær, hensættelser, pensionsforpligtelser, efterstillede forpligtelser, og andre passiver, hvilket omfatter forpligtelser vedrørende provenu på værdipapirer, solgte ikke-ejede værdipapirer, leverandørgæld, kontant/margin gæld og andet.

Afsnit B – Udsteder

Regulerede og regnskabsmæssige hoved- og nøgletal⁽¹⁾

	For regnskabsåret med afslutning den 31. december		
	2015	2016	2017
Regulerede hoved- og nøgletal			
Nedskrivning på lån, basispoint ⁽²⁾	14	15	12
Egentlig kernekapitalprocent (CET1), ekskl. Basel I-gulv ⁽³⁾⁽⁴⁾ , %	16,5	18,4	19,5
Kernekapitalprocent (Tier 1), ekskl. Basel I-gulv ⁽³⁾⁽⁴⁾ , %	18,5	20,7	22,3
Kapitalprocent i alt, ekskl. Basel I-gulv ⁽³⁾⁽⁴⁾ , %	21,6	24,7	25,2
Kernekapital (tier 1) ⁽³⁾⁽⁴⁾ , EUR mia.	26,5	27,6	28,0
Risikoeksponering (REA), ekskl. Basel I-gulv ⁽³⁾ , EUR mia.....	143	133	126
Økonomisk Kapital ⁽⁴⁾ , EUR mia.	25,0	26,3	26,7
Regnskabsmæssige hoved- og nøgletal			
Forrentning af egenkapitalen ⁽⁵⁾ , %	12,2	12,3	9,5
Omkostninger i % af indtægter, ekskl. poster der påvirker sammenligneligheden.....	47	50	54
ROCAR, ekskl. poster der påvirker sammenligneligheden ⁽⁶⁾ , %.....	14,8	13,2	11,1
Aktier m.m.			
Aktiekurs ⁽⁴⁾ , EUR	10,15	10,60	10,09
Afkast til aktionærer i alt, %	8,2	16,3	3,6
Foreslået/faktisk udbytte pr. aktie, EUR.....	0,64	0,65	0,68
Egenkapital pr. aktie ⁽⁴⁾ , EUR.....	7,69	8,03	8,21
Eventuelle udestående aktier ⁽⁴⁾ , mio.....	4.050	4.050	4.050
Vægtet gennemsnitligt antal udvandede aktier, mio.....	4.031	4.037	4.039
Antal ansatte (årsværk) ⁽⁴⁾	29.815	31.596	30.399

(1) Definitioner af hoved- og nøgletal samt andre begreber findes nedenfor under ”—Definitioner af regulerede hoved- og nøgletal” og ”—Definitioner af regnskabsmæssige hoved- og nøgletal”.

(2) Inkl. udlån til offentligheden posteret som aktiver i midlertidig besiddelse i 2016.

(3) Inkl. årets resultat.

(4) Ultimo året.

(5) Nordea concernens egenkapitalforrentning, ekskl. poster der påvirker sammenligneligheden, var 9,5 % i 2017, 11,5 % i 2016 og 12,3 % i 2015.

(6) ROCAR, ekskl. poster der påvirker sammenligneligheden, er justeret i 2016 som følge af ændret definition af gennemsnitligt Økonomisk Kapital.

Definitioner af regulerede hoved- og nøgletal

Nedenfor gives definitioner af termer og regulerede hoved- og nøgletal anvendt i ovenstående ”—Regulerede og regnskabsmæssige hoved- og nøgletal”.

Nedskrivning på udlån, basispoint..... Nedskrivning på udlån og tilgodehavender (annualiseret) divideret med ultimosaldo på lån til offentligheden (udlån).

Egentlig kernekapitalprocent

(CET1)..... Den egentlige kernekapital (CET1) som en procentdel af risikoeksponeringen (REA).

Kernekapitalprocent (Tier 1) Kernekapital (Tier 1) som en procentdel af risikoeksponeringen (REA).

Kapitalprocent..... Kapitalgrundlaget som en procentdel af risikoeksponeringsbeløbet (REA).

Kapitalgrundlag Kapitalgrundlag er defineret i Kapitalkravsforordningens artikel 72 (defineret nedenfor) og består af summen af kernekapital (Tier 1) og supplerende kapital.

Kernekapital (Tier 1) Kernekapital er defineret i Kapitalkravsforordningens artikel 25 og består af summen af den egentlige kernekapital (CET1) og hybride kernekapital. Egentlig kernekapital (CET1) er defineret i Kapitalkravsforordningens artikel 50 og omfatter de konsoliderede aktionærers egenkapital ekskl. investeringer i forsikringsselskaber, det foreslåede udbytte, udskudte skatteaktiver, immaterielle aktiver i bankdriften, det fulde forventede underdækningsfradrag (den negative forskel mellem forventede tab og hensættelser) og andre fradrag som f.eks. sikring af pengestrømme.

Afsnit B – Udsteder

Risikoeksponeringsbeløb (REA)	Risikoeksponeringsbeløb (REA) er defineret i Kapitalkravs-forordningens artikel 92, stk. 3. Samlede aktiver og ikke-balanceførte poster værdiansat på grundlag af kredit- og markedsrisici samt driftsmæssige risici for Nordea koncernens virksomheder i henhold til reglerne om kapitaldækning, ekskl. aktiver i forsikringselskaber, den regnskabsmæssige værdi af aktier som er fratrukket kapitalgrundlag og immaterielle aktiver.
Økonomisk Kapital	Økonomisk Kapital er det internt afledte kapitalbeløb til sikring af, at selskabet kan forblive solvent. Denne metode omfatter både søjle 1- og søjle 2-kapital baseret på en 99,9 % tillidsvurdering.

Definitioner af regnskabsmæssige hoved- og nøgletal

Nedenfor gives definitioner af termer og regnskabsmæssige hoved- og nøgletal anvendt i ovenstående ”—Regulerede og regnskabsmæssige hoved- og nøgletal”.

Egenkapitalforrentning, %	Årets overskud i procent af årets gennemsnitlige egenkapital. Hybrid kernekapital, regnskabsmæssigt indeholdt i egenkapitalen, betragtes ved beregningen som en finansiell forpligtelse. I periodens overskud medregnes ikke ikke-bestemmende indflydelse og renteudgifter på hybrid kernekapital (skønsmæssig rentetilskrivning). I den gennemsnitlige egenkapital indgår periodens nettooverskud og udbytte indtil udlodning men ikke ikke-bestemmende indflydelse og hybrid kernekapital.
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Omkostninger i % af indtægter, ekskl. poster der påvirker sammenligneligheden	Samlede driftsudgifter ekskl. poster, der påvirker sammenligneligheden, divideret med de samlede driftsindtægter ekskl. poster, der påvirker sammenligneligheden.
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ROCAR (afkast på risikokapital), ekskl. poster der påvirker sammenligneligheden, %	Periodens nettoresultat ekskl. poster, der påvirker sammenligneligheden i procent af Økonomisk Kapital.
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Poster der påvirker sammenligneligheden	Væsentlige poster som påvirker sammenligneligheden fra år til år, herunder større overskud fra salg af driftsmæssige aktiviteter, omstrukturingsudgifter og ændringer af pensionsordninger.
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Afstemning af visse regnskabsmæssige hoved- og nøgletal

Følgende tabel indeholder en specifikation af poster, der påvirker sammenligneligheden, samt en beregning af omkostninger i procent af indtægter, ekskl. poster, der påvirker sammenligneligheden, for regnskabsår med afslutning den 31. december 2015, 2016 og 2017:

	For regnskabsåret med afslutning den 31. december		
	2015	2016	2017
	(EUR mio. medmindre andet er anført)		
Poster, der påvirker sammenligneligheden, før skat:			
Overskud fra frasalg af Nordeas kortindløsningsaktiviteter til Nets Holding A/S	176	–	–
Overskud fra Visa Inc.'s overtagelse af Visa Europe Ltd.	–	–	–
Omstrukturingsudgift	(263)	173	–
Ændring af pensionsaftale i Norge	–	86	–
Poster, der påvirker sammenligneligheden før skat i alt	<u>(87)</u>	<u>259</u>	<u>–</u>
Driftsudgifter i alt	(4.957)	(4.800)	(5.102)
Poster, der påvirker sammenligneligheden af de samlede driftsudgifter	263	(86)	–
Driftsudgifter ekskl. poster, der påvirker sammenligneligheden i alt	<u>(4.694)</u>	<u>(4.886)</u>	<u>(5.102)</u>
Driftsindtægter i alt	10.140	9.927	9.496
Poster, der påvirker sammenligneligheden af de samlede driftsindtægter	(176)	(173)	–
Driftsindtægter ekskl. poster, der påvirker sammenligneligheden i alt	<u>9.964</u>	<u>9.754</u>	<u>9.496</u>
Omkostninger i pct. af indtægter ekskl. poster, der påvirker sammenligneligheden	47	50	54

Afsnit B – Udsteder

Følgende tabel indeholder en specifikation af beregningen af ROCAR, ekskl. poster der påvirker sammenligneligheden, som defineret af Nordea for regnskabsår med afslutning den 31. december 2015, 2016 og 2017:

	For regnskabsåret med afslutning den 31. december		
	2015	2016	2017
	(EUR mio. medmindre andet fremgår)		
Periodens nettoresultat	3.662	3.766	3.048
Poster, der påvirker sammenligneligheden, med fradrag af skat.....	29	(227)	–
Periodens nettoresultat ekskl. poster, der påvirker sammenligneligheden	<u>3.691</u>	<u>3.539</u>	<u>3.048</u>
Gennemsnitlig økonomisk kapital.....	25.005	26.773	27.342
ROCAR, ekskl. poster der påvirker sammenligneligheden⁽¹⁾, %.....	14,8	13,2	11,1

(1) ROCAR, ekskl. poster der påvirker sammenligneligheden, er justeret i 2016 som følge af ændret definition af gennemsnitligt Økonomisk Kapital.

Afsnit B – Udsteder

Element	Oplysningskrav	Oplysninger
B.8	Udvalgte vigtige proformaregnskabsoplysninger	Ikke relevant. Dette Prospekt indeholder ingen proformaregnskabsoplysninger.
B.9	Resultatforventninger eller -prognoser	Ikke relevant. Dette Prospekt indeholder ingen resultatforventninger eller -prognoser.
B.10	Forbehold i revisionspåtegningen vedrørende historiske finansielle oplysninger	Ikke relevant. Der er ingen forbehold i revisionspåtegningen vedrørende historiske finansielle oplysninger.
B.11	Arbejdskapital	Ikke relevant. Det er Nordeas opfattelse, at Koncernens arbejdskapital (dvs. Koncernens adgang til kontantbeholdning eller andre disponible likvide midler) er tilstrækkelig til, at Koncernen kan opfylde sine forpligtelser i takt med at de forfalder til betaling i en periode på 12 måneder efter Prospektdatoen.

Afsnit C – Værdipapirer

Element	Oplysningskrav	Oplysninger
C.1	Beskrivelse af typen og klassen af de værdipapirer, der optages til handel	Nordea Finland har én aktieklasse, der har ISIN-koden FI4000297767. Ifølge Nordea Finlands gældende vedtægter og dets vedtægter efter modtagelse af en kreditinstitutlicens, kan Nordea Finland kun udstede én aktieklasse.
C.2	Valuta for de udstedte værdipapirer	Euro.
C.3	Antal af udstedte aktier/nominal værdi pr. aktie	Pr. Prospektdatoen udgør Nordea Finlands aktiekapital EUR 5.000.000 bestående af én ordinær aktie. Når Fusionen er gennemført, forhøjes Nordea Finlands aktiekapital til EUR 4.049.951.919, og antallet af aktier forøges i forhold til Fusionsvederlaget. Det er Nordea Finlands hensigt at gennemføre en rettet aktieemission til sig selv forud for gennemførelsen af Fusionen med henblik på at implementere en aktiebaseret incitamentsordning. Antallet af egne aktier, der kan udstedes i den rettede emission, svarer til antallet af Nordea Sveriges beholdning af egne aktier på Gennemførelsesdagen.
C.4	Rettigheder knyttet til aktierne	Generelt Nordea Finland er et aktieselskab, der er stiftet i Finland i henhold til blandt andet den finske selskabslov (på finsk: <i>osakeyhtiölaki (624/2006)</i>) (den “ Finske Selskabslov ”). Nordea Finland vil efter gennemførelse af Fusionen være et bankaktieselskab og således være underlagt blandt andet den Finske Lov om Kreditinstitutter og den Finske Banklov.

Afsnit C – Værdipapirer

Element	Oplysningskrav	Oplysninger
		<p>I henhold til Nasdaq Helsinkis regler skal alle udstedere af aktier, der optages til handel og officiel notering på Nasdaq Helsinki, overholde de Finske Anbefalinger for God Selskabsledelse (på finsk: <i>Suomen listayhtiöiden hallinnointikoodi</i>) (de ”Finske Anbefalinger for God Selskabsledelse”). Når Fusionen og Børsnoteringen er gennemført, skal Nordea Finland således efterleve bestemmelserne i de Finske Anbefalinger for God Selskabsledelse. De Finske Anbefalinger for God Selskabsledelse supplerer de gældende lovbestemmelser og fungerer efter ”følg eller forklar”-princippet. Et selskab kan således fravige de specifikke anbefalinger i de Finske Anbefalinger for God Selskabsledelse, forudsat at selskabet giver en redegørelse herfor og en forklaring på årsagerne til fravigelsen. Eftersom Nordea Finland skal overholde de Finske Anbefalinger for God Selskabsledelse, anvendes de Svenske Anbefalinger for God Selskabsledelse (på svensk: <i>Svensk kod för bolagsstyrning</i>) (de ”Svenske Anbefalinger for God Selskabsledelse”) ikke af Nordea Finland, da anvendelse af to særskilte sæt anbefalinger kan indebære modstridende krav og resultater. Det forventes ikke, at Nordea Finlands praksis for god selskabsledelse afviger væsentligt fra de Svenske Anbefalinger for God Selskabsledelse.</p> <p>De rettigheder, der gælder for aktier i Nordea Finland, er fastlagt af den Finske Selskabslov samt anden gældende finsk regulering.</p> <p>Generalforsamlinger</p> <p>Det øverste ledelsesorgan i Nordea Finland er generalforsamlingen, hvor aktionærerne udøver deres beslutningskompetence.</p> <p>Udbytte og anden udlodning af midler</p> <p>Alle aktier i Nordea Finland giver aktionærerne lige rettigheder til udbytte og anden udlodning af midler (herunder udlodning af Nordea Finlands aktiver i tilfælde af opløsning), når aktierne er registreret i det Finske Selskabsregister. Udbytte og anden udlodning af midler udbetales til aktionærer, eller disses fuldmægtige, der er noteret i ejerbogen på den relevante registreringsdato. Retten til udbytte bortfalder tre år efter udbytteudbetalingsdatoen.</p> <p>I henhold til gældende finsk praksis deklarerer udbytte på aktier i finske aktieselskaber normalt én gang om året, forudsat der træffes beslutning om udbytte. Udbytte kan udbetales og frie reserver kan på anden vis udloddes i et specifikt regnskabsår, når aktionærerne på generalforsamlingen har godkendt selskabets regnskab for det pågældende år og truffet beslutning om beløb for udbytte eller anden udlodning af frie reserver efter forslag fra selskabets bestyrelse. Endvidere kan generalforsamlingen i henhold til finsk ret bemyndige bestyrelsen til at udlodde udbytte og træffe beslutning om det maksimale beløb for aktiver til udlodning.</p> <p>Beløbet for udbytte eller anden udlodning af frie reserver er begrænset til selskabets frie midler i henhold til det regnskab, på grundlag af hvilket beslutningen om udbetaling af udbytte eller anden udlodning af frie reserver er truffet, medmindre der er indtruffet væsentlige ændringer i selskabets økonomiske stilling, siden regnskabet blev udarbejdet. I Finland må der ikke ske udlodning af aktiver, hvis der, når afgørelsen om udlodning træffes, er viden om eller burde have været viden om, at selskabet er insolvent, eller at udlodningen vil resultere i, at selskabet bliver insolvent.</p> <p>I henhold til finsk ret skal mindst halvdelen af overskuddet i et regnskabsår udloddes som udbytte, hvis der fremsættes anmodning herom på den ordinære generalforsamling af aktionærer, som repræsenterer mindst 10 % af alle aktier. I henhold til finsk ret skal sådanne udbytter reduceres med beløbet for et eventuelt udbytte udloddet forud for den ordinære generalforsamling samt i overensstemmelse med relevante bestemmelser i selskabets vedtægter. Endvidere kan der ikke ske udlodning af overskud, der overstiger det beløb,</p>

Afsnit C – Værdipapirer

Element	Oplysningskrav	Oplysninger
		<p>som i henhold til finsk ret kan udloddes uden samtykke fra selskabets kreditorer, eller som overstiger 8 % af selskabets egenkapital. Dertil kommer, at i henhold til den Finske Lov om Kreditinstitutter kan kreditinstitutter, som f.eks. Nordea Finland, ikke udlodde udbytte, medmindre det finske finanstilsyn i særlige tilfælde giver dispensation hertil i en bestemt periode, såfremt kreditinstituttets kapitalgrundlag eller det konsoliderede kapitalgrundlag ikke opfylder de kapitalkrav, der er fastsat i Europa-Parlamentets og Rådets Forordning (EU) nr. 575/2013 af 26. juni 2013 om tilsynsmæssige krav til kreditinstitutter og investeringsselskaber og om ændring af forordning (EU) nr. 648/20 (CRR) ("Kapitalkravsforordningen") eller den Finske Lov om Kreditinstitutter.</p>
C.5	Eventuelle indskrænkninger i værdipapirernes omsættelighed	<p>I henhold til finsk ret og Nordea Finlands vedtægter er der ingen indskrænkninger i rettighederne til at overdrage aktier i Nordea Finland, og Nordea Finland har ikke kendskab til, at der skulle være indgået aftaler herom mellem aktionærene. Eftersom Nordea Finland efter modtagelse af kreditinstitutlicens fra den Europæiske Centralbank imidlertid vil være et kreditinstitut, kan en erhvervelse af aktier i Nordea Finland ikke finde sted uden godkendelse fra den Europæiske Centralbank, såfremt en sådan erhvervelse medfører, at erhververens samlede aktiepost udgør en kvalificeret aktiepost (10 % eller mere af egenkapitalen eller stemmerne, eller en aktiepost som på anden vis før det muligt for erhververen at udøve væsentlig indflydelse på Nordea Finlands ledelse). Der skal ligeledes indhentes godkendelse fra den Europæiske Centralbank, såfremt aktieposten udgør eller overstiger 20 %, 30 % eller 50 % af egenkapitalen eller stemmerne.</p>
C.6	Optagelse til handel på et reguleret marked	<p>Nordea Sveriges aktier er optaget til handel og officiel notering på Nasdaq Nordic på fondsbørserne i Stockholm (i svenske kroner), Helsinki (i form af Nordea Sverige FDRs med kurser noteret i euro) og København (i danske kroner).</p> <p>Nasdaq Helsinki, Nasdaq Stockholm og Nasdaq Copenhagen har, på visse betingelser, godkendt optagelse af Nordea Finlands aktier til handel og officiel notering fra og med Gennemførelsesdagen. Samtidigt ophører noteringen af Nordea Sveriges aktier på Nasdaq Stockholm og Nasdaq Copenhagen samt noteringen af Nordea Sveriges FDRs på Nasdaq Helsinki. Det forventes, at Nordea Finlands aktier optages til handel og officiel notering på Nasdaq Helsinki, Nasdaq Stockholm og Nasdaq Copenhagen på eller omkring Gennemførelsesdagen.</p>
C.7	Udbyttepolitik	<p>Ifølge Nordea koncernens udbyttepolitik tilstræber Nordea koncernen at opretholde en stærk kapitalposition i tråd med bankens kapitalpolitik, hvilket indebærer et mål om at opnå en årlig stigning i udbytte pr. aktie. Det er hensigten, at denne politik skal opretholdes for Nordea koncernens moderselskab uanset forslaget om flytning af hovedsæde og Fusionen.</p> <p>Selvom Nordea Finland vedtager en udbyttepolitik, vil Nordea Finland årligt foretage en evaluering af forudsætningerne for udbetaling af udbytte eller anden udlodning af fri egenkapital, hvilket kan resultere i afvigelse fra udbyttepolitikken, herunder en beslutning om ikke at udlodde udbytte. Størrelsen af det eventuelle udbytte, der udbetales af Nordea Finland i de enkelte regnskabsår, ligger derfor ikke fast. Dertil kommer, at størrelsen af udbytte eller anden udlodning af frie reserver udbetalt af Nordea Finland i tidligere regnskabsperioder ikke skal ses som målestok for størrelsen af det udbytte, der kan forventes udbetalt i fremtidige perioder.</p>

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger
D.1	Nøgleoplysninger om de vigtigste risici, der er	<p><i>Nordea koncernens daglige drift, herunder på de nordiske hjemmemarkeder, vil ikke ændre sig som følge af flytningen af hovedsæde. Medmindre der henvises</i></p>

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger
	specifikke for udsteder eller dennes branche	<p><i>til Fusionen og/eller transaktioner påtænkt i forbindelse hermed, eller medmindre det klart fremgår af konteksten, at henvisningerne har anden betydning, afspejler nedenstående risikofaktorer Nordea koncernens aktiviteter både før og efter gennemførelsen af Fusionen.</i></p> <p>Risici forbundet med Fusionen</p> <p><i>Risici forbundet med Fusionen omfatter, men er ikke begrænset til:</i></p> <ul style="list-style-type: none">• Der er risici og usikkerheder forbundet med den foreslåede flytning af hovedsæde og Fusionen. Såfremt Fusionen ikke gennemføres eller forsinkes, kan dette påvirke Nordea koncernens virksomhed, driftsresultater og økonomiske forhold negativt.• Manglende gennemførelse eller forsinkelse af de tiltag, der skal ske som led i processen ved flytning af hovedsæde og Fusionen, kan resultere i forsinkelse af Fusionen eller manglende gennemførelse heraf, hvilket kan påvirke Nordea koncernens virksomhed, driftsresultater og økonomiske forhold negativt.• Det kan vise sig, at Nordea ikke er i stand til at realisere de besparelser, der forventes opnået ved flytning af hovedsæde og gennemførelse af Fusionen.• Der er usikkerhed om den skattemæssige behandling af Fusionen i visse jurisdiktioner, og lokale skattemyndigheder kan anfægte Fusionens skattemæssige neutralitet. <p>Risici forbundet med Nordea koncernens drift</p> <p><i>Risici forbundet med de juridiske og lovgivningsmæssige forhold, der gælder for Nordea koncernens drift, omfatter, men er ikke begrænset til:</i></p> <ul style="list-style-type: none">• Nordea koncernen er underlagt omfattende regulering, som kan blive ændret.• Nordea koncernen kan blive påført væsentlige omkostninger til overvågning og overholdelse af nye krav vedrørende kapital, genopretning og afvikling.• CRD IV indfører kapitalkrav i tillæg til minimumskapitalprocenten.• De seneste lovgivningsmæssige tiltag kan påvirke Nordea koncernens finansieringsbehov og kapitalposition.• Ved Fusionens gennemførelse overgår tilsynet med Nordea koncernen til den Europæiske Centralbank, og Nordea koncernen bliver underlagt den Europæiske Fælles Tilsynsmekanisme og den Europæiske Fælles Afviklingsmekanisme.• Der er likviditetsrisici forbundet med Nordea koncernens virksomhed.• Såfremt Nordea koncernens kapitalprocent reduceres eller opfattes som utilstrækkelig, kan dette påvirke Nordea koncernens resultater.• Der kan opstå juridiske og lovgivningsmæssige krav som led i Nordea koncernens virksomhed.• Nordea koncernen er eksponeret mod eventuelle ændringer i skattelovgivningen, herunder stigning i skattesatsen.• Ændringer af Nordea koncernens regnskabspraksis eller regnskabsstandarder kan få væsentlig indflydelse på, hvordan koncernen rapporterer om sin økonomiske stilling og driftsresultater.

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger
		<ul style="list-style-type: none"> • Nordea koncernens finansieringsomkostninger og koncernens adgang til kapitalmarkedet for gæld afhænger i høj grad af koncernens kreditvurderinger. <p><i>Risici forbundet med makroøkonomiske forhold omfatter, men er ikke begrænset til:</i></p> <ul style="list-style-type: none"> • En negativ økonomisk udvikling og negative forhold på de markeder, hvor Nordea koncernen driver virksomhed, kan påvirke Nordea koncernens virksomhed og driftsresultater. • Sammenbrud og volatilitet på de globale finansmarkeder kan påvirke Nordea koncernen negativt. <p><i>Risici forbundet med Nordea koncernens kreditportefølje omfatter, men er ikke begrænset til:</i></p> <ul style="list-style-type: none"> • En forringelse af modparters kreditkvalitet kan påvirke Nordea koncernens økonomiske resultater. • Nordea koncernen er eksponeret mod modpartskreditrisiko. <p><i>Risici forbundet med markedseksponering omfatter, men er ikke begrænset til:</i></p> <ul style="list-style-type: none"> • Nordea koncernen er eksponeret mod markedsprisisiko. • Nordea koncernen er eksponeret mod en strukturel markedsrisiko. <p><i>Andre risici forbundet med Nordea koncernens drift omfatter, men er ikke begrænset til:</i></p> <ul style="list-style-type: none"> • Operationelle risici, herunder risici i forbindelse med investeringsrådgivning kan påvirke Nordea koncernens virksomhed. • Nordea koncernens virksomhed uden for de nordiske markeder, især i Rusland, er eksponeret mod risici, der ikke er aktuelle eller i mindre grad er aktuelle for koncernens virksomhed på de nordiske markeder. • Lønsomheden af Nordea koncernens livsforsikrings- og pensionsvirksomhed afhænger af de regler og retningslinjer, der er gældende i de lande, hvor koncernen driver virksomhed. • Det kan vise sig, at Nordea koncernen ikke er i stand til at tiltrække eller fastholde den øverste ledelse eller andre nøglemedarbejdere. • Nordea koncernen møder konkurrence på alle markeder. • Det kan vise sig, at Nordea koncernen ikke er i stand til at gennemføre koncernens strategi med succes.
D.3	Nøgleoplysninger om de vigtigste risici vedrørende værdipapirerne	<p><i>Risici forbundet med aktier i Nordea Finland omfatter, men er ikke begrænset til:</i></p> <ul style="list-style-type: none"> • Nordea Finlands evne til at udbetale udbytte eller anden udlodning af frie reserver i henhold til bankens udbyttepolitik eller på anden vis afhænger af, i hvilken udstrækning banken råder over disponible midler, og fremover er Nordea Finland ikke nødvendigvis i stand til eller vælger ikke at træffe afgørelse om at udbetale udbytte eller anden udlodning af frie reserver. • Eventuelle ændringer af den finske lovgivning vedrørende udbytteskat kan medføre en stigning i udbytteskattesatsen for uidentificerede aktionærer, der ejer aktier via et nominee-depot.

Afsnit D – Risici

Element	Oplysningskrav	Oplysninger
		<ul style="list-style-type: none"> • Fusionsvederlaget til aktionærene i Nordea Sverige kan i visse jurisdiktioner blive betragtet som et skattepligtigt vederlag. Det anbefales derfor, at aktionærene i Nordea Sverige søger professionel skatterådgivning om de skattemæssige konsekvenser, der kan opstå som følge af Fusionen. • Visse større aktionærer i Nordea Finland kan have andre interesser end de øvrige aktionærer. • Fremtidige emissioner eller salg af et større antal aktier i Nordea Finland kan påvirke markedskursen på aktier i Nordea Finland negativt, og eventuelle fremtidige aktieudstedelser fra Nordea Finlands side kan udvande de eksisterende aktionærers ejerskab. • Det kan vise sig, at visse udenlandske aktionærer ikke nødvendigvis er i stand til at udnytte den fortegningsret, der fremgår af den Finske Selskabslov, eller andre aktionærrettigheder. • Der kan være store udsving i markedskursen på aktier i Nordea Finland. • Gennemførelsen af transaktioner vedrørende Nordea Finlands aktier afhænger af processerne for, samarbejdet med og systemer tilhørende Euroclear Finland Ltd, Euroclear Sverige AB og VP Securities A/S. • Investorer med andre referencevalutaer end euro vil være eksponeret mod visse valutarisici ved investering i Nordea Finlands aktier.

Afsnit E – Udbud

Element	Oplysningskrav	Oplysninger
E.1	Nettoprovenu / anslåede udgifter	Nordea Finland modtager intet kontantprovenu i forbindelse med Fusionen. De anslåede samlede omkostninger for Nordea i forbindelse med flytning af hovedsæde og Fusionen omfatter hovedsagligt finansiering af gennemførelses- og projektomkostninger, herunder omkostninger til IT, advokatombkostninger og udgifter til rådgivere men eksklusive personaleomkostninger, og dette beløb forventes at udgøre ca. EUR 100 mio. før skat (uden diskontering), heraf er EUR 11 mio. afholdt pr. 31. december 2017.
E.2a	Baggrund for udbuddet / anvendelse af provenu / forventet nettoprovenu	<p>I første kvartal af 2017 påbegyndte Nordea en vurdering af mulighederne for at imødegå konsekvenserne af de svenske reguleringsvilkår for Nordea koncernen, herunder afvigelse fra reguleringen i EU's bankunion. Mulighederne, der blev vurderet, omfattede også en flytning af Nordea koncernens hovedsæde fra Sverige.</p> <p>Efter at have afsluttet vurderingen traf Nordea Sveriges bestyrelse den 6. september 2017 beslutning om at påbegynde en proces for flytning af Nordea koncernens moderselskabs hovedsæde fra Sverige til Finland, som er tilsluttet EU's bankunion. Beslutningen var baseret på Nordea koncernens unikke tværnordiske og internationale struktur, som betyder, at de gældende nationale lovregler og reguleringer har skabt visse udfordringer i forhold til Nordea koncernens driftsmodel og seneste strategiske udvikling. Det er Nordea Sveriges forventning, at en flytning af hovedsædet for Nordea koncernens moderselskab til et land, der er medlem af EU's bankunion, vil betyde, at Nordea koncernen bliver underlagt de samme reguleringsvilkår som sine europæiske konkurrenter med større konsistens i håndhævelsen og dermed mere ensartede konkurrencevilkår. Nordea Sverige forventer, at flytningen tjener kundernes, aktionærernes og medarbejdernes interesser bedst. Nordea koncernens daglige drift, herunder på de nordiske hjemmemarkeder, vil ikke ændre sig som følge af flytningen af hovedsæde, og i relation til kunderne forventes der ingen ændringer i den daglige drift.</p>

Afsnit E – Udbud

Element	Oplysningskrav	Oplysninger
		<p>Nordea Sverige forventer, at nettonutidsværdien af de samlede besparelser på afviklingsgebyrer, indskydergarantier og andre midlertidige konsekvenser af flytningen af hovedsæde til Finland beløber sig til ca. EUR 0,9–1,2 mia. Af nettonutidsværdien af de samlede besparelser forventes EUR 0–90 mio. at blive realiseret mellem 2017 og 2019 og EUR 900–1.070 mio. efter 2019. Det forventes, at gebyrer vedrørende afvikling og indskydergarantier i 2018 stiger med EUR 60–130 mio. sammenlignet med 2017. I 2019 forventes disse gebyrer at være i niveauet fra EUR 10 mio. under til EUR 60 mio. over niveauet i 2017.</p> <p><i>Ovenstående redegørelse omfatter Nordea Sveriges forventninger til nettonutidsværdien af besparelserne på gebyrer vedrørende afvikling og indskydergarantier og øvrige midlertidige effekter som følge af Nordea Sveriges flytning af hovedsæde til Finland. Nordea Sverige har beregnet den forventede nettonutidsværdi af flytningen af hovedsæde til Finland ved at diskontere fremtidige virkninger på resultatopgørelse efter skat på grundlag af de oplysninger, der var til rådighed pr. Prospekt dagen. De underliggende beregninger af nettonutidsværdien af de forventede besparelser er foretaget på grundlag af gældende lovgivning og regler og under antagelse af, at Fusionen samt flytningen af hovedsæde gennemføres på et skattemæssigt neutralt grundlag som en grænseoverskridende omvendt lodret fusion ved absorption og inden for den aktuelle tidsplan, dvs. inden den 1. oktober 2018.</i></p> <p><i>Den anslåede nettonutidsværdi redegjort for i dette afsnit kan ændre sig og er baseret på en række forudsætninger og vurderinger vedrørende blandt andet det fremtidige niveau for afviklingsgebyrer og indskydergarantier og den midlertidige effekt af flytningen af hovedsæde og er udarbejdet på grundlag af Nordea Sveriges aktuelle forventninger til udviklingen i de erhvervmæssige, lovgivningsmæssige og økonomiske forhold. Estimerne afspejler ikke uforudsete hændelser, der blandt andet kan opstå, hvis der sker ændringer af de reguleringsvilkår, herunder de gældende kapitalkrav, som Nordea koncernen vil være underlagt.</i></p>
E.3	Udbudsbetingelser	<p>Den 25. oktober 2017 underskrev bestyrelserne i henholdsvis Nordea Sverige og Nordea Finland Fusionsplanen, hvori betingelserne og procedurerne for Fusionen er beskrevet. I henhold til Fusionsplanen har bestyrelserne i Nordea Sverige og Nordea Finland stillet forslag om, at Nordea Sverige ved fusionen absorberes af Nordea Finland ved Fusionen, der foreslås gennemført som en grænseoverskridende omvendt lodret fusion i henhold til bestemmelserne i Kapitel 16, §§ 19–28, i den Finske Selskabslov, jf. Kapitel 2 i den Finske Lov om Banker, samt Kapitel 23, § 36 (med yderligere henvisninger) i den Svenske Selskabslov (på svensk: <i>aktiebolagslag (2005:551)</i>) (den ”Svenske Selskabslov”) og Kapitel 10, §§ 18–25 b, i den Svenske Lov om Bankvirksomhed og Finansiering (på svensk: <i>lag (2004:297) om bank- och finansieringsrörelse</i>) (den ”Svenske Lov om Banker og Finansiering”). Nordea Sverige opløses automatisk på Gennemførelsesdagen som følge af Fusionen.</p> <p>Nordea Sveriges aktionærer vil som Fusionsvederlag modtage én ny aktie i Nordea Finland for hver aktie i Nordea Sverige, som de ejer pr. Gennemførelsesdagen, således at Fusionsvederlaget udstedes til Nordea Sveriges aktionærer i forhold til deres eksisterende aktiebeholdning med et ombytningsforhold på 1:1. Ombytningsforholdet er fastsat ud fra den betragtning, at Nordea Finland er et helejet datterselskab af Nordea Sverige og ikke driver selvstændig virksomhed, hvilket betyder, at værdien af alle aktier i Nordea Finland efter Fusionen afspejler værdien af alle aktier i Nordea Sverige. Aktiekapitalen i Nordea Finland forhøjes i forbindelse med gennemførelsen af Fusionen fra EUR 5.000.000 til EUR 4.049.951.919 svarende til Nordea Sveriges aktiekapital.</p> <p>Nordea Sveriges bestyrelse fremlægger Fusionsplanen til godkendelse for Nordea Sveriges aktionærer på den ordinære generalforsamling, der afholdes den 15. marts 2018, hvilket kræver godkendelse med et flertal af to tredjedele af</p>

Afsnit E – Udbud

Element	Oplysningskrav	Oplysninger
		<p>de på mødet repræsenterede aktier og afgivne stemmer. Såfremt Fusionsplanen ikke godkendes på den ordinære generalforsamling, bortfalder Fusionen. Foruden godkendelse på Nordea Sveriges generalforsamling forudsætter en gennemførelse af Fusionen blandt andet også, at alle nødvendige myndighedstilladelser og interne godkendelser foreligger. Bestyrelsen i Nordea Sverige anbefaler, at Nordea Sveriges ordinære generalforsamling godkender Fusionsplanen. De nødvendige myndighedsgodkendelser til gennemførelse af Fusionen omfatter blandt andet en tilladelse fra det svenske finanstilsyn, der som et led i godkendelsesprocessen vil vurdere, om Nordea Sveriges kreditorer er sikret tilstrækkelig sikkerhed, hvor dette er påkrævet i betragtning af Nordea Sveriges og Nordea Finlands økonomiske forhold samt Nordea Sveriges indskyderes og andre kreditorers interesser. Det svenske finanstilsyn kan desuden afvise ansøgningen, hvor dette anses for at være i offentlighedens interesse.</p> <p>Forudsat at betingelserne for gennemførelse af Fusionen er opfyldt, vil Fusionen blive gennemført på Gennemførelsesdagen, dvs. når registrering af Fusionens gennemførelse er foretaget i det Finske Selskabsregister, hvilket efter planen skal finde sted i løbet af andet halvår af 2018, forventeligt den 1. oktober 2018. Samtidigt vil aktionærerne i Nordea Sverige blive aktionærer i Nordea Finland. Nordea Sverige opløses automatisk på Gennemførelsesdagen som følge af Fusionen. Regnskabsmæssigt og juridisk overføres Nordea Sveriges rettigheder og forpligtelser samt dets aktiver og passiver i henhold til loven til Nordea Finland på Gennemførelsesdagen ved universalsuccession i henhold til relevant finsk og svensk selskabsret, og Nordea Sveriges transaktioner behandles som transaktioner gennemført af Nordea Finland. Nordea Finland ændrer navn til Nordea Bank Abp senest på Gennemførelsesdagen. Nordea Finland overtager i kraft af Fusionen formelt alle på Nordea Sveriges filialer. Ved gennemførelsen af Fusionen vil navnene på Nordea Finlands nye filialer i Sverige og i blandt andet Danmark, Norge, Estland, Kina, Polen, Singapore, Det Forenede Kongerige, Tyskland og USA (samlet de ”Relevante Jurisdiktioner”) blive opdateret, således at de afspejler Nordea koncernens nye moderselskab.</p> <p>I henhold til svensk ret er aktionærerne i fusionerende selskaber ikke berettiget til på generalforsamlingen at fremsætte krav om indløsning af deres aktier i forbindelse med fusionen. Modsat finsk ret er aktionærer i Nordea Sverige, som modsætter sig Fusionen, således ikke berettiget til på Nordea Sveriges ordinære generalforsamling at forlange indløsning af deres aktier. Aktionærer i Nordea Sverige, der ikke ønsker at modtage aktier i Nordea Finland som Fusionsvederlag, skal afhænde deres aktier i Nordea Sverige senest den 28. september 2018.</p> <p>Hvis Fusionsplanen godkendes på Nordea Sveriges ordinære generalforsamling, skal aktionærer i Nordea Sverige ikke foretage sig yderligere i forbindelse med Fusionen, medmindre de ikke ønsker at fortsætte som aktionærer i Nordea Finland efter Fusionen.</p>
E.4	Væsentlige interesser for udbuddet / interessekonflikter	Ikke relevant.
E.5	Navnet på den person eller enhed, som ønsker at sælge værdipapirerne	Ikke relevant.
	Lock-up-aftaler	Ikke relevant.
E.6	Udvanding	Ikke relevant.
E.7	Anslåede udgifter som investor pålægges	Ikke relevant. Nordea Finland opkræver ingen direkte beløb fra investorerne i forbindelse med Fusionen.

NORSK SAMMENDRAG

Sammendrag består av informasjon som skal gis i form av «Elementer». Elementene er nummerert i punktene A–E (A.1–E.7) nedenfor.

Dette sammendraget inneholder alle Elementer som er påkrevd for et sammendrag for denne typen verdipapir og utsteder. Ettersom enkelte Elementer ikke må beskrives, kan det forekomme at enkelte tall i nummereringen utelates.

Selv om det kan være påkrevd å innta et Element på grunn av typen verdipapir og utsteder, kan det forekomme at det ikke kan gis relevant informasjon om Elementet. I slike tilfeller er det oppgitt en kort beskrivelse av Elementet i sammendraget, med benevnelsen «ikke relevant».

Avsnitt A – Introduksjon og advarsler

Element	Innholdskrav	Opplysninger
A.1	Innledning	<i>Dette sammendraget må leses som en innledning til Prospektet. Enhver avgjørelse om å investere i aksjene i Nordea Finland bør baseres på investorens vurdering av Prospektet i sin helhet. Dersom et krav knyttet til informasjonen i Prospektet blir brakt inn for en domstol, kan saksøkende investor, i henhold til nasjonal lovgivning i sitt medlemsland, selv måtte bære kostnadene ved å oversette Prospektet før rettsforhandlingene igangsettes. Kun de personer som har satt opp sammendraget, herunder oversatt dette, kan pådra seg sivilrettslig ansvar, men kun dersom sammendraget er misvisende, ikke korrekt eller usammenhengende når det leses i sammenheng med de øvrige deler av Prospektet eller dersom sammendraget, når det leses sammen med de øvrige deler av Prospektet, ikke gir slik nøkkelinformasjon som investorene behøver når de vurderer om de skal investere i aksjene i Nordea Finland.</i>
A.2	Samtykke for etterfølgende videresalg eller endelig plassering av verdipapirer, tilbudsperiode og vilkår for samtykke	Ikke relevant.

Avsnitt B – Utsteder

Element	Innholdskrav	Opplysninger
B.1	Juridisk og forretningsnavn	<p>På tidspunktet for Prospektet er Nordea Bank AB (publ) (Nordea Sverige) morselskapet i Nordea-konsernet. Den 6. september 2017 bestemte styret i Nordea Sverige å igangsette en flytteprosess av morselskapet fra Sverige til Finland, et land som deltar i Den europeiske unions («EU») bankunion, hvilket Nordea Sverige regner med vil fremme interessene til både kundene, aksjonærene og de ansatte. Det vises til punkt E.2a nedenfor for informasjon knyttet til bakgrunnen for avgjørelsen om flytting, og forventede fordeler i forbindelse med flyttingen.</p> <p>Det er foreslått at flyttingen skal utføres gjennom Fusjonen, som er en grenseoverskridende omvendt fusjon ved opptak hvoretter Nordea Sverige, nåværende morselskapet i Nordea-konsernet, fusjonerer inn i Nordea Holding Abp (Nordea Holding Oyj på finsk), et nyetablert finsk datterselskap under Nordea Sverige. Nordea Finland vil endre navn til Nordea Bank Abp senest på Gjennomføringsdatoen. Som resultat av gjennomføringen av Fusjonen vil morselskapet i Nordea-konsernet være Nordea Bank Abp (Nordea Finland).</p> <p>Gjennomføringen av Fusjonen er blant annet betinget av at Fusjonsplanen blir godkjent av generalforsamlingen i Nordea Sverige, at alle konsesjoner, samtykker og andre beslutninger av relevante myndigheter er innhentet, inkludert, men ikke begrenset til, at Nordea Finland har fått konsesjon fra Den Europeiske Sentralbanken til å utøve bank- og investeringstjenester, at aksjene i Nordea Finland har blitt tatt opp til notering på det regulerte markedet gjennom Nasdaq Stockholm, Nasdaq Helsinki og Nasdaq København når Fusjonsvederlaget utstedes, at Fusjonen ikke forbyes eller gjennom styret i</p>

Avsnitt B – Utsteder

Element	Innholdskrav	Opplysninger
		Nordea Sverige og Nordea Finland blir forhindret, og at gjennomføringen av Fusjonen har blitt registrert i det Finske Foretaksregisteret. Det er anslått at gjennomføringen av Fusjonen vil registreres i løpet av andre halvdel av 2018, tentativt den 1. oktober 2018. Nordea Sverige vil automatisk oppløses på Gjennomføringsdatoen som resultat av Fusjonen.
B.2	Hjemsted, selskapsform, lovgivning og stiftelsesland	<p>Nordea Sverige er et offentlig bankaksjeselskap underlagt svensk rett og med hjemsted i Sverige.</p> <p>Nordea Finland er et offentlig aksjeselskap som både er stiftet og har hjemsted i Finland, og som er organisert i henhold til finsk rett. På tidspunktet for gjennomføringen av Fusjonen vil Nordea Finland være et offentlig bankaksjeselskap og derfor blant annet være underlagt den finske lov om kredittinstitusjoner (finsk: <i>laki luottolaitostoiminnasta (610/2014)</i>) («Finnish Act on Credit Institutions») og den finske lov om kommersiell bankvirksomhet (finsk: <i>laki likepankeista ja muista osakeyhtiömuotoisista luottolaitoksista (1501/2001)</i>) («Finnish Commercial Banking Act»).</p>
B.3	Nåværende virksomhet og hovedaktiviteter	<p>Den daglige forretningsvirksomheten i Nordea-konsernet, herunder det nordiske markedet, vil ikke endres som følge av flyttingen, og det er ikke forventet endringer i den daglige driften fra et kundeperspektiv.</p> <p>Nordea-konsernet er den største tilbyderen av finansielle tjenester i det nordiske markedet (Danmark, Finland, Norge og Sverige) målt i samlet inntjening, med virksomhet også i Russland og Luxembourg, og filialer flere steder internasjonalt. Konsernet er også aktive i Estland, Latvia og Litauen gjennom Luminor, en baltisk bank eid av Nordea og DNB ASA («DNB»), som utgjør Nordea-konsernets og DNBs kundebase på tvers av de tre markedene. Nordea mener at konsernet har den største kundebasen blant aktørene som tilbyr finansielle tjenester i det nordiske markedet med over 10 millioner kunder på tvers av områdene hvor konsernet opererer, inkludert om lag 9,6 millioner privatkunder og anslagsvis 600 000 bedrifts- og institusjonelle kunder per 31. desember 2017. På samme tidspunkt hadde Nordea-konsernet samlede verdier på EUR 581,6 milliarder og kjernekapitaldekning på EUR 28,0 milliarder, og var den største nordiske kapitalforvalteren med totalt EUR 330,4 milliarder i midler til forvaltning.</p> <p>Som en universalbank tilbyr Nordea-konsernet et vidtrekkende utvalg bank- og finansprodukter og -tjenester til både privat- og bedriftskunder, inkludert finansinstitusjoner. Konsernets produkter består av et bredt utvalg tjenester til privatkunder, herunder bolig- og forbrukslån, kreditt- og debetkort, og et stort utvalg sparetjenester, livsforsikringer og pensjonsprodukter. I tillegg tilbyr Nordea-konsernet en rekke banktjenester til bedrifter, herunder bedriftslån, cash management-tjenester, betalings- og kontotjenester, risikostyringsprodukter og rådgivningstjenester, gjeld- og egenkapitalprodukter som ledd i innhenting av likviditet og egenkapital, samt corporate finance, kapitalforvaltningstjenester for institusjonelle kunder og livs- og forsikringstjenester til bedrifter. Nordea-konsernet tilbyr også generelle forsikringsprodukter. Med anslagsvis 500 filialer, call-sentere i hvert av de nordiske markedene og en svært konkurransedyktig nettbank, har Nordea-konsernet i tillegg det største distribusjonsnett for kunder i det nordiske markedet.</p> <p>Ambisjonen og visjonen til Nordea-konsernet har vært å drive som «Ett Nordea» på tvers av Norden. For å nå denne ambisjonen og visjonen introduserte konsernet en endringsrettet agenda i 2015 som blant annet innebar betydelige investeringer i teknologi for å få ett system for alle kjerneproduktene i bankvirksomheten. Nordea-konsernet vil fortsette å utvikle seg mot «Ett Nordea», og levere fremtidens relasjonsorienterte bankmodell gjennom en styrket kultur og konsekvent gjennomføring med fokus på følgende fire kjerneområder: Tydelig kundevisjon, felles arbeidsmåte, systemforenklinger og felles verdier. I tråd med denne ambisjonen omfatter Nordea-konsernets</p>

Avsnitt B – Utsteder

Element	Innholdskrav	Opplysninger
		strategiske prioriteringer en styrking av konsernets kunderettede organisering, digitalisering og distribusjonsendring, forenkling, tillit og ansvar.
B.4a	Vesentlige aktuelle trender	Nordea-konsernets resultat påvirkes i stor grad, og vil fortsette å påvirkes i stor grad også etter flyttingen og Fusjonen, av de generelle økonomiske forholdene i landene konsernet opererer i, spesielt i det nordiske markedet (Danmark, Finland, Norge og Sverige) og, i mindre grad, i Russland og, gjennom Nordeas eierskap i Luminor, en baltisk bank eid av Nordea og DNB som utgjør Nordea-konsernets og DNBs kundebase på tvers av Estland, Latvia og Litauen, de baltiske landene. De siste årene har de økonomiske forholdene i Norden generelt sett utviklet seg i en mer positiv retning enn i resten av Europa, som følge av en gjennomgående solid statsøkonomi. Det har imidlertid vært interne forskjeller mellom landene i regionen. I 2015 hadde svensk økonomi en vekst på i overkant av 3 prosent. Danmark opplevde sterk vekst i økonomien i starten av 2015, men veksten avtok noe i andre halvdel av året. Norsk økonomi steg i første halvdel av 2015, men ble i stadig større grad påvirket av det akselererende fallet i oljeprisen senere på året. I den finske økonomien var det mer dempede endringer i 2015, med variasjoner mellom positive og negative vekstrater gjennom året. Den økonomiske utviklingen i Norden i 2016 var preget av avvik mellom landene. I Sverige fortsatte den sterke utviklingen med en vekst som igjen oversteget 3 prosent. I Danmark startet året med stabil økonomisk vekst, men veksten avtok noe i andre halvdel av 2016. Årsutviklingen var likevel positiv, og bygget videre på den gradvis forbedrede trenden. Den norske økonomien opprettholdt veksten i starten av 2016, men ble deretter gradvis negativt påvirket av oljeprisfallet. Selv om den finske økonomien hadde vekst i 2016, forble utviklingen noe dempet, med variasjoner mellom positive og negative vekstrater gjennom kvartalene. Den globale økonomien opplevde en akselerert vekst i 2017 med moderat økning i inflasjonen og lav volatilitet i finansmarkedene. Til tross for enkelte bekymringsfulle geopolitiske utviklingstrekk hadde globale aktivapriser en sterk vekst, og volatiliteten i finansmarkedene var særdeles lav i 2017. Støtten fra sentralbankene forholdt seg sterk. Den amerikanske økonomien hadde en solid veksttakt, og den amerikanske sentralbanken videreførte normaliseringen av rentepolitikken. Den europeiske økonomien opplevde en vekstrate på sitt høyeste siden 2011, understøttet av lave renter, fallende arbeidsledighet og sterk nasjonal etterspørsel. Bekymringen for vekst i det fremvoksende markedet ble stadig mindre som følge av at aktivitetsnivået på verdenshandelen økte og råvareprisene steg. I 2017 var det for første gang på mange år en sammenfallende økonomisk vekst i de nordiske landene. I Sverige forholdt den økonomiske situasjonen seg sterk med vekst over 2,5 prosent, mens den danske økonomien steg med 2 prosent, til tross for negativ vekst i løpet av tredje kvartal som følge av midlertidige faktorer. Veksten i Norge tok seg også opp, understøttet av bedring i oljeprisen og lav arbeidsledighet. I Finland vokste økonomien med mer enn 3 prosent som følge av sterk nasjonal etterspørsel og økt eksport. De siste årene har den russiske økonomien blitt negativt påvirket av krisen på Krimhalvøya og i Øst-Ukraina.
B.5	Konsernstruktur	Nordea-konsernet består av morselskapet Nordea Sverige og dets konsoliderte datterselskaper. Etter gjennomføringen av Fusjonen vil morselskapet i konsernet bli Nordea Finland.
B.6	Interesser i utstederen	Som Fusjonsvederlag vil aksjonærene i Nordea Sverige motta én ny aksje i Nordea Finland for hver aksje de eier i Nordea Sverige på Gjennomføringsdatoen, med det resultat at Fusjonsvederlaget utstedes til aksjonærene i Nordea Sverige i henhold til det eksisterende aksjeinnehavet i bytteforholdet 1:1. Som en følge av dette vil aksjonærsammensetning i Nordea Finland være identisk med aksjonærsammensetningen i Nordea Sverige på tidspunktet umiddelbart før gjennomføringen av Fusjonen.

Avsnitt B – Utsteder

<u>Element</u>	<u>Innholdskrav</u>	<u>Opplysninger</u>	
		Etter det Nordea Sverige kjenner til har følgende aksjonærer, direkte eller indirekte, interesser i Nordea Sveriges aksjekapital eller stemmerettigheter som er meldepliktige i henhold til svensk og finsk rett per 31. januar 2018:	
		<u>Antall aksjer (millioner)</u>	<u>Prosentandel av aksjer og stemmer⁽¹⁾</u>
		Sampo plc	860,4 21,3
		(1) Ikke inkludert aksjer utstedt for de langsiktige insentivprogrammene («LTIPs»).	

Avsnitt B – Utsteder

Element	Innholdskrav	Opplysninger
B.7	Utvalgt informasjon om sentrale finansielle forhold	Utvalgte, konsoliderte finansielle opplysninger og annen informasjon om Nordea-konsernet

De konsoliderte resultatregnskapene og balansene som presenteres nedenfor, er utledet fra de reviderte årsregnskapene i Nordea-konsernet for de foregående årene, per 31. desember 2015, 2016 og 2017, med korrigerte, sammenlignbare tall for 2015 per 31. desember, inntatt i det konsoliderte, reviderte årsregnskapet for Nordea-konsernet for 2016 per 31. desember, som er inntatt i Prospektet. Årsregnskapene er utarbeidet i henhold til International Financial Reporting Standards («IFRS»), tilsluttet av Europakommisjonen. Nordea Finland, morselskapet i Nordea-konsernet etter gjennomføringen av Fusjonen, ble registrert i det finske foretaksregisteret den 27. september 2017, og følgelig foreligger det ingen årsregnskap for Nordea Finland. De reviderte årsregnskapene for Nordea-konsernet som det refereres til i Prospektet, er utarbeidet med Nordea Sverige som morselskap. Ettersom Fusjonen vil behandles som en intern reorganisering i Nordea-konsernets konsoliderte regnskap, vil ikke Fusjonen som en konsernintern transaksjon endre den rapporteringspliktige under IFRS. Dermed vil det konsoliderte årsregnskapet for Nordea Finland, det nye morselskapet i Nordea-konsernet, videreføre gjeldende verdi fra de konsoliderte årsregnskapene til det tidligere morselskapet i konsernet, Nordea Sverige, som er inntatt i Prospektet.

Utvalgt, konsolidert informasjon fra resultatregnskapene

	Per 31. desember		
	2015	2016	2017
	(millioner EUR, med mindre noe annet er oppgitt)		
Netto renteinntekter.....	4 963 ⁽¹⁾	4 727	4 666
Netto gebyr- og provisjonsinntekter.....	3 230 ⁽¹⁾	3 238	3 369
Netto gevinst/tap på poster vurdert til virkelig verdi.....	1 645 ⁽¹⁾	1 715	1 328
Resultat på investeringer etter egenkapitalmetoden.....	39	112	23
Andre inntekter.....	<u>263</u>	<u>135</u>	<u>83</u>
Sum driftsinntekter.....	10 140	9 927	9 469
Generelle administrasjonskostnader			
Personalkostnader.....	(3 263)	(2 926)	(3 212)
Andre kostnader.....	(1 485)	(1 646)	(1 622)
Avskrivning, amortisering og nedskrivning på varige driftsmidler og immaterielle eiendeler.....	<u>(209)</u>	<u>(228)</u>	<u>(268)</u>
Sum driftskostnader.....	(4 957)	(4 800)	(5 102)
Resultat før tap.....	5 183	5 127	4 367
Tap på utlån.....	<u>(479)</u>	<u>(502)</u>	<u>(369)</u>
Driftsresultat.....	4 704	4 625	3 998
Skattekostnad, inntekt.....	<u>(1 042)</u>	<u>(859)</u>	<u>(950)</u>
Årsresultat.....	3 662	3 766	3 048
Overføringer:			
Aksjonærer i Nordea Bank AB (publ).....	3 662	3 766	(3 031)
Minoritetsinteresser.....	–	–	17
Sum overføringer.....	<u>3 662</u>	<u>3 766</u>	<u>3 048</u>
Resultat per aksje, EUR.....	0,91	0,93	0,75
Resultat per aksje etter utvanning, EUR.....	<u>0,91</u>	<u>0,93</u>	<u>0,75</u>

- (1) Som følge av (i) en reklassifisering i 2016 av refinansierings- og utbetalingsavgifter mottatt i forbindelse med boliglån i Danmark fra «netto gevinst/tap på poster vurdert til virkelig verdi» til «netto gebyr- og provisjonsinntekter», og (ii) en reklassifisering i 2016 av statlige garantiavgifter fra «netto gebyr- og provisjonsinntekter» til «netto renteinntekter» har Nordea-konsernet utarbeidet en korrigert versjon av resultatregnskapet med sammenlignbare tall for 2015 per 31. desember, som er inntatt i det konsoliderte, reviderte årsregnskapet for Nordea-konsernet for 2016 per 31. desember. De korrigerte tallene for 2015 er ikke revidert. De reviderte, ikke-korrigerte tallene for regnskapsåret som ble avsluttet 31. desember 2015 viser netto renteinntekter på EUR 5 110 millioner, netto gebyr- og provisjonsinntekter på EUR 3 025 millioner og netto gevinst/tap på poster vurdert til virkelig verdi på EUR 1 703 millioner.

Avsnitt B – Utsteder

Utvalgt, konsolidert informasjon fra balansene

	Per 31. desember		
	2015	2016	2017
	(millioner EUR)		
Kontanter og innskudd i sentralbanker	35 500	32 099	43 081
Utlån til sentralbanker	13 224	11 235	4 796
Utlån til kredittinstitusjoner	10 762 ⁽¹⁾	9 026	8 592
Utlån til kunder.....	340 920	317 689	310 158
Rentebærende verdipapirer	86 535 ⁽¹⁾	87 701	75 294
Finansielle instrumenter pantsatt som sikkerhet	8 341	5 108	6 489
Aksjer.....	22 273 ⁽¹⁾	21 524	17 180
Eiendeler i kollektive innretninger og kontrakter med investeringsvalg.....	20 434 ⁽¹⁾	23 102	25 879
Derivater	80 741	69 959	46 111
Annet ⁽²⁾	28 138 ⁽¹⁾	29 319	21 846
Eiendeler holdt for salg ⁽³⁾	–	8 897	22 186
Sum eiendeler	646 868	615 659	581 612
Innskudd fra kredittinstitusjoner	44 209	38 136	39 983
Innskudd og lån fra kunder.....	189 049 ⁽⁴⁾	174 028	172 434
Innskudd i kollektive innretninger og kontrakter med investeringsvalg	21 088 ⁽⁴⁾	23 580	26 333
Gjeld til forsikringstakere.....	38 707 ⁽⁴⁾	41 210	19 412
Utstedte verdipapirer.....	201 937	191 750	179 114
Derivater	79 505	68 636	42 713
Annet ⁽⁵⁾	41 341 ⁽⁴⁾	41 021	42 276
Gjeld holdt for salg ⁽³⁾	–	4 888	26 031
Sum gjeld	615 836	583 249	548 296
Sum egenkapital	31 032	32 410	33 316
hvorav innehavere av annen godkjent kjernekapital.....	–	–	750
hvorav minoritetsinteresser	1	1	168
Sum gjeld og egenkapital	646 868	615 659	581 612

- (1) I 2016 reklassifiserte Nordea-konsernet enkelte rentebærende verdipapirer og aksjer til den separate balanseposten «eiendeler i kollektive innretninger og kontrakter med investeringsvalg» for å skille disse fra aktiva hvor Nordea-konsernet bærer investeringsrisikoen. På bakgrunn av denne reklassifiseringen har konsernet fremlagt en korrigerert versjon av de sammenlignbare tallene for «utlån til kredittinstitusjoner», «rentebærende verdipapirer», «aksjer», «eiendomsinvesteringer» og «andre midler» per 31. desember 2015, som er inntatt i de reviderte, konsoliderte årsregnskapene for Nordea-konsernet per 31. desember 2016. De korrigererte tallene per 31. desember 2015 er ikke revidert. De reviderte, ikke-korrigererte tallene for regnskapsåret som ble avsluttet per 31. desember 2015 viser EUR 10 959 millioner i utlån til kredittinstitusjoner, EUR 88 176 millioner i rentebærende verdipapirer, EUR 40 745 millioner i aksjer og EUR 28 262 millioner i andre midler (disse tallene tar høyde for, som definert gjennom formålet med tabellen ovenfor, at eiendomsinvesteringer ble redusert med EUR 111 millioner og at andre midler ble redusert med EUR 13 millioner som følge av den korrigererte versjonen av årsregnskapet).
- (2) Basert på endringer i virkelig verdi av sikrede elementer i porteføljesikring av renterisiko, investeringer i tilknyttede foretak og fellesforetak, immaterielle eiendeler, eiendom og utstyr, eiendomsinvesteringer, utsatt skattefordel, nåværende skattefordeler, pensjonsmidler, forhåndsbetalte utgifter og påløpt inntekt, og andre eiendeler, herunder også krav på oppgjør av verdipapirtransaksjoner, kontanter/krav på stilt margin og annet.
- (3) Eiendeler og gjeld holdt for salg per 31. desember 2017 knytter seg til Nordeas beslutning om å selge ytterligere 45 prosent av aksjene i danske Nordea Liv & Pension Livsforsikringsselskab A/S. Eiendeler og gjeld holdt for salg per 31. desember 2016 består av Nordea-konsernets baltiske virksomhet og private lånekunder i Russland. Eiendeler og gjeld knyttet til midler som skal avhendes fremgår i de separate balansepostene «eiendeler holdt for salg» og «gjeld holdt for salg», beregnet på tidspunktet for klassifisering.
- (4) I tråd med endringene i regnskapene som fremgår i fotnote (1) ovenfor reklassifiserte Nordea-konsernet i 2016 gjeld tilknyttet eiendeler i kollektive innretninger og kontrakter med investeringsvalg til den separate balanseposten «innskudd i kollektive innretninger og kontrakter med investeringsvalg» ettersom denne gjelden oppfører seg annerledes enn normale innskudd fra kunden. På bakgrunn av denne reklassifiseringen utarbeidet Nordea-konsernet en korrigerert versjon av de sammenlignbare tallene for «innskudd og lån fra kunder», «gjeld til forsikringstakere» og «annet» per 31. desember 2015, som er inntatt i det reviderte, konsoliderte årsregnskapet for konsernet per 31. desember 2016. De korrigererte tallene per 31. desember 2015 er ikke revidert. De reviderte, ikke-korrigererte tallene for regnskapsåret som ble avsluttet per 31. desember 2015 viser EUR 193 342 millioner i innskudd og lån fra kunder, EUR 55 491 millioner i gjeld til forsikringstakere og EUR 41 352 millioner i annet (disse tallene tar høyde for, som definert gjennom formålet med tabellen ovenfor, at annen gjeld ble redusert med EUR 11 millioner som følge av den korrigererte versjonen av årsregnskapet) per 31. desember 2015.
- (5) Basert på endringer i virkelig verdi av sikrede elementer i porteføljesikring av renterisiko, nåværende skatteplikt, påløpte utgifter og forhåndsbetalt inntekt, utsatt skatteplikt, anskaffelser, pensjonsgjeld, ansvarlig gjeld og andre forpliktelser, herunder også forpliktelser knyttet til fondsoppgjør, solgte verdipapirer, leverandørgjeld, kontanter/krav på stilt margin og annet.

Avsnitt B – Utsteder

Sentrale regulatoriske forholdstall og finansielle nøkkeltall⁽¹⁾

	Per 31. desember		
	2015	2016	2017
Sentrale regulatoriske forholdstall			
Tap i forhold til utlån, basispunkter ⁽²⁾	14	15	12
Ren kjernekapital (CET1), ekskludert Basel I-gulvet ⁽³⁾⁽⁴⁾ , prosent.....	16,5	18,4	19,5
Kjernekapitaldekning, ekskludert Basel I-gulvet ⁽³⁾⁽⁴⁾ , prosent	18,5	20,7	22,3
Samlet kapitaldekning, ekskludert Basel I-gulvet ⁽³⁾⁽⁴⁾ , prosent	21,6	24,7	25,2
Kjernekapital ⁽³⁾⁽⁴⁾ , EUR milliarder	26,5	27,6	28,0
Risikoeksponering (REA), ekskludert Basel I-gulvet ⁽³⁾ , EUR milliarder.....	143	133	126
Økonomisk kapital ⁽⁴⁾ , EUR milliarder	25,0	26,3	26,7
Finansielle nøkkeltall			
Avkastning på egenkapitalen ⁽⁵⁾ , prosent.....	12,2	12,3	9,5
Kostnadsgrad, ekskludert poster som påvirker sammenlignbarheten, prosent.....	47	50	54
ROCAR, ekskludert poster som påvirker sammenlignbarheten ⁽⁶⁾ , prosent.....	14,8	13,2	11,1
Aksjer og annen informasjon			
Aksjekurs ⁽⁴⁾ , EUR.....	10,15	10,60	10,09
Samlet avkastning til aksjonærene, prosent	8,2	16,3	3,6
Foreslått/faktisk utbytte per aksje, EUR	0,64	0,65	0,68
Egenkapital per aksje ⁽⁴⁾ , EUR	7,69	8,03	8,21
Potensielle utestående aksjer ⁽⁴⁾ , millioner	4 050	4 050	4 050
Vektet gjennomsnittlig antall aksjer etter utvanning, millioner	4 031	4 037	4 039
Antall årsverk («FTE») ⁽⁴⁾	29 815	31 596	30 399

(1) For definisjoner av forholdstall og andre sentrale begreper, se «—Definisjoner av sentrale regulatoriske forholdstall» og «—Definisjoner av finansielle nøkkeltall» nedenfor.

(2) Inkludert utlån til kunder bokført som eiendeler holdt for salg i 2016.

(3) Inkludert årsresultat.

(4) Ved årsslutt.

(5) Avkastningen på egenkapitalen i Nordea-konsernet (ikke inkludert poster som påvirker sammenlignbarheten) var 9,5 prosent i 2017, 11,5 prosent i 2016 og 12,3 prosent i 2015.

(6) ROCAR (ikke inkludert poster som påvirker sammenlignbarheten) er korrigert i 2016 på bakgrunn av endret definisjon av gjennomsnittlig økonomisk kapital.

Definisjoner av sentrale regulatoriske forholdstall

Nedenfor fremgår definisjoner av begreper og sentrale regulatoriske forholdstall som anvendes i «—Sentrale regulatoriske forholdstall og finansielle nøkkeltall» ovenfor.

Tap i forhold til utlån, basispunkter	Netto tap på utlån (annualisert) delt på avslutningsbalansen for utlån til kunder.
Ren kjernekapital (CET1) i prosent	Ren kjernekapital som en prosentandel av risikoeksponering (REA).
Kjernekapital i prosent.....	Kjernekapital som en prosentandel av risikoeksponering (REA).
Samlet kapitaldekning i prosent.....	Ansvarlig kapital som en prosentandel av risikoeksponering (REA).
Ansvarlig kapital.....	Ansvarlig kapital er definert i artikkel 72 i CRR (som definert nedenfor) og består av summen av kjernekapital og tilleggs kapital.
Kjernekapital.....	Kjernekapital er definert i artikkel 25 i CRR og består av summen av ren egenkapital (CET1) med tillegg av virksomhetens øvrige kjernekapital. Ren kjernekapital (CET1) er definert i artikkel 50 i CRR og inkluderer aksjonærenes samlede egenkapital med fradrag for investeringer i forsikringsselskaper, foreslått utbytte, utsatt skattefordel, immaterielle rettigheter i bankvirksomheten, forventet mindreverdi (den negative differansen mellom forventet tap og anskaffelser) og andre fradrag, herunder sikring/sikring av kontantstrøm.
Risikoeksponering (REA).....	Risikoeksponering (REA) er definert i artikkel 92.3 i CRR. Samlede eiendeler og poster utenom balansen verdsatt på bakgrunn av kreditt- og markedsrisiko, i tillegg til risiko ved Nordea-konsernets virksomhet, i samsvar med regulering av kapitalkrav, sett bort fra eiendeler i forsikringsselskaper, gjeldende verdi bokført av aksjer som er trukket fra ansvarlig kapital, samt immaterielle eiendeler.

Avsnitt B – Utsteder

Økonomisk kapital..... Økonomisk kapital er det internt beregnede beløpet som er nødvendig for å sikre at en virksomhet holder seg solvent. Fremgangsmåten inkluderer både pilar 1 og pilar 2 kapital basert på et konfidensintervall på 99.9 prosent.

Definisjoner av finansielle nøkkeltall

Nedenfor fremgår definisjoner av begreper og finansielle nøkkeltall som anvendes i «—*Sentrale regulatoriske forholdstall og finansielle nøkkeltall*» ovenfor.

Avkastning på egenkapitalen i

prosent Netto årsresultat som en prosentandel av gjennomsnittlig egenkapital for året. Annen godkjent kjernekapital, bokført som egenkapital, anses som en finansiell forpliktelse ved utregningen. Nettoresultatet for perioden inkluderer ikke minoritetsrettigheter og renteutgifter av annen godkjent kjernekapital (påløpt diskresjonær rente). Gjennomsnittlig egenkapital inkluderer nettoresultatet for perioden og utbytte før utbetaling, og inkluderer ikke minoritetsinteresser og annen godkjent kjernekapital.

Kostnadsgrad, ekskludert poster som påvirker

sammenlignbarheten..... Sum driftsutgifter (ikke inkludert poster som påvirker sammenlignbarheten) delt på sum driftsinntekter (ikke inkludert poster som påvirker sammenlignbarheten).

ROCAR (avkastning på økonomisk kapital), ekskludert poster som påvirker

sammenlignbarheten, i prosent..... Nettoresultatet for perioden (ikke inkludert poster som påvirker sammenlignbarheten) som en prosentandel av økonomisk kapital.

Poster som påvirker

sammenlignbarheten..... Betydningsfulle poster som har innvirkning på år-til-år sammenligninger, for eksempel vesentlige inntekter gjennom virksomhetsoverdragelser, restruktureringskostnader og endringer i pensjonsavtaler.

Sammenstilling av enkelte finansielle nøkkeltall

Tabellen nedenfor spesifiserer poster som påvirker sammenlignbarheten, og utregningen av kostnadsgrad (ikke inkludert poster som påvirker sammenlignbarheten) per 31. desember 2015, 2016 og 2017:

	Per 31. desember		
	2015	2016	2017
	(EUR millioner, med mindre noe annet er oppgitt)		
Poster som påvirker sammenlignbarheten, før skatt:			
Avkastning fra avhendelse av Nordeas innløservirksomhet til Nets Holding A/S	176	–	–
Avkastning i forbindelse med Visa Inc.s erverv av Visa Europe Ltd.	–	173	–
Restruktureringsavgift	(263)	–	–
Endring i pensjonsavtale i Norge	–	86	–
Sum poster som påvirker sammenlignbarheten, før skatt.....	(87)	259	–
Sum driftskostnader.....	(4 957)	(4 800)	(5 102)
Poster som påvirker sammenlignbarheten for sum driftskostnader.....	263	(86)	–
Sum driftskostnader, ekskludert poster som påvirker sammenlignbarheten	(4 694)	(4 886)	(5 102)
Sum driftsinntekter	10 140	9 927	9 496
Poster som påvirker sammenlignbarheten for sum driftsinntekter	(176)	(173)	–
Sum driftsinntekter, ekskludert poster som påvirker sammenlignbarheten	9 964	9 754	9 496
Kostnadsgrad, ekskludert poster som påvirker sammenlignbarheten, prosent	47	50	54

Avsnitt B – Utsteder

Tabellen nedenfor fremstiller beregningen av ROCAR (ikke inkludert poster som påvirker sammenlignbarheten) som definert av Nordea per 31. desember 2015, 2016 og 2017:

	Per 31. desember		
	2015	2016	2017
	(EUR millioner, med mindre noe annet er oppgitt)		
Nettoreultat for perioden.....	3 662	3 766	3 048
Poster som påvirker sammenlignbarheten, etter skatt	29	(227)	–
Nettoreultat for perioden, ekskludert poster som påvirker sammenlignbarheten.....	3 691	3 539	3 048
Gjennomsnittlig økonomisk kapital	25 005	26 773	27 342
ROCAR, ekskludert poster som påvirker sammenlignbarheten⁽¹⁾, prosent.....	14,8	13,2	11,1

(1) ROCAR, (ikke inkludert poster som påvirker sammenlignbarheten) er korrigert i 2016 på bakgrunn av endret definisjon av gjennomsnittlig økonomisk kapital.

Avsnitt B – Utsteder

Element	Innholdskrav	Opplysninger
B.8	Utvalgt proforma finansiell nøkkelinformasjon	Ikke relevant. Prospektet inneholder ingen proforma finansiell informasjon.
B.9	Resultatprognose	Ikke relevant. Prospektet inneholder ikke noen resultatprognose.
B.10	Forbehold i revisjonsberetningene	Ikke relevant. Det er ingen forbehold i revisjonsberetningene.
B.11	Arbeidskapital	Ikke relevant. Nordea mener at konsernets arbeidskapital (evnen til å få tilgang til penger og andre likvide midler) er tilstrekkelig til å betjene forpliktelser ved forfall i en periode på 12 måneder regnet fra datoen for Prospektet.

Avsnitt C – Verdipapirer

Element	Innholdskrav	Opplysninger
C.1	Type og klasse verdipapir tatt opp til notering	Nordea Finland har én aksjeklasse som er registrert med ISIN-koden FI4000297767. I henhold til selskapets gjeldende vedtekter og dets vedtekter etter mottak av konsesjon som kredittinstitusjon, kan selskapet bare utstede én aksjeklasse.
C.2	Valuta på utstedelse	EUR.
C.3	Antall aksjer utstedt og pålydende verdi	På tidspunktet for Prospektet er aksjekapitalen i Nordea Finland EUR 5 000 000, fordelt på én ordinær aksje. Ved gjennomføringen av Fusjonen vil selskapets aksjekapital forhøyes til EUR 4 049 951 919, og antall aksjer vil øke i henhold til Fusjonsvederlaget. Nordea Finland har til hensikt å gjennomføre en rettet emisjon mot seg selv før gjennomføringen av Fusjonen, for å implementere et aksjebasert insentivprogram. Antallet egne aksjer som skal utstedes gjennom den rettede emisjonen vil samsvare med det antall egne aksjer Nordea Sverige har på Gjennomføringsdatoen.
C.4	Rettigheter knyttet til verdipapirene	<p>Generelt</p> <p>Nordea Finland er et offentlig aksjeselskap stiftet i Finland som blant annet er underlagt den finske aksjeloven (finsk: <i>osakeyhtiölaki (624/2006)</i>) («Finnish Companies Act»). På tidspunktet for gjennomføringen av Fusjonen vil selskapet i kraft av å være et offentlig bankaksjeselskap blant annet være underlagt den finske lov om kredittinstitusjoner og den finske lov om forretningsbanker.</p> <p>I tråd med regelverket for Nasdaq Helsinki må alle utstedere av aksjer som omsettes på den offisielle listen til Nasdaq Helsinki opptre i samsvar med kravene som følger av de finske prinsippene for eierstyring og selskapsledelse (finsk: <i>Suomen listayhtiöiden hallinnointikoodi</i>) («Finnish Corporate Governance Code»). I forlengelsen av dette må Nordea Finland oppfylle disse kravene etter gjennomføringen av Fusjonen og Børsnoteringen. Anbefalingene i</p>

Avsnitt C – Verdipapirer

Element	Innholdskrav	Opplysninger
		<p>de finske prinsippene for eierstyring og selskapsledelse supplerer lovfestede krav, og er basert på «følg eller forklar»-prinsippet. Et selskap kan derfor avvike fra de nærmere fastsatte anbefalingene i de finske prinsippene for eierstyring og selskapsledelse, såfremt selskapet opplyser om hvert enkelt avvik og gjør rede for begrunnelsen for avviket. På bakgrunn av at Nordea Finland må opptre i samsvar med de finske prinsippene for eierstyring og selskapsledelse, vil ikke de svenske prinsippene for eierstyring og selskapsledelse (svensk: <i>Svensk kod för bolagsstyrning</i>) («Swedish Corporate Governance Code») ble anvendt av Nordea Finland, ettersom anvendelse av to separate regelsett vil kunne resultere i motstridende krav. Det er for øvrig ikke forventet at Nordea Finlands praksis knyttet til eierstyring og selskapsledelse i vesentlig grad vil avvike fra de svenske prinsippene for eierstyring og selskapsledelse.</p> <p>Rettighetene som følger aksjene i Nordea Finland er underlagt den finske aksjeloven og annen relevant finsk lovgivning.</p> <p>Generalforsamlingen</p> <p>Det øverste organet i Nordea Finland er generalforsamlingen, hvor aksjonærene i selskapet utøver sin beslutningsmyndighet.</p> <p>Utbytte og annen utdeling</p> <p>Fra det tidspunkt aksjene er registrert i det finske foretaksregisteret vil alle aksjene i Nordea Finland ha like rettigheter til utbytte og annen utdeling av selskapets midler (herunder også utdeling ved oppløsning). Utbytte og annen utdeling utbetales til aksjonærene direkte eller gjennom forvalter, slik dette til enhver tid fremgår i aksjeeierboken. Retten til utbytte bortfaller tre år etter datoen for utbetaling av utbytte.</p> <p>I tråd med gjeldende praksis i Finland besluttes eventuelt utbytte i et finsk aksjeselskap normalt én gang i året. Utbytte kan utbetales, og fri egenkapital kan for øvrig utdeles, etter at generalforsamlingen har godkjent selskapets årsregnskap og vedtatt størrelsen på utbyttet eller annen utdeling av fri egenkapital etter forslag fra styret. Videre kan generalforsamlingen i tråd med finsk rett gi styret fullmakt til å beslutte utdeling av utbytte gjennom å vedta en øvre beløpsgrense for hva kan utdeles.</p> <p>Størrelsen på utbytte eller annen utdeling av fri egenkapital er begrenset til utbytterammen slik denne fremgår av årsregnskapet. En beslutning om å utdele utbytte eller annen utdeling av fri egenkapital, må baseres på årsregnskapet, med forbehold for materielle endringer i selskapets finansielle stilling etter at årsregnskapet ble utarbeidet. I Finland kan det ikke foretas utdeling dersom det på beslutningstidspunktet er kjent eller burde være kjent at selskapet er insolvent eller at utdelingen vil føre til at selskapet blir insolvent.</p> <p>Etter finsk rett skal minst halvparten av overskuddet fra regnskapsåret utdeles som utbytte dersom det fremsettes krav om dette på generalforsamlingen av aksjonærer som representerer minst 10 prosent av selskapets aksjer. Slikt utbytte skal reduseres med summen av eventuell utdeling av utbytte i tiden før generalforsamlingen, og ellers i henhold til relevante bestemmelser i selskapets vedtekter. Overskudd utover det beløp som etter loven kan utdeles uten samtykke fra selskapets kreditorer, eller overskudd som utgjør mer enn 8 prosent av selskapets egenkapital, kan ikke utdeles. I tillegg følger det av den finske lov om kredittinstitusjoner at dersom summen av ansvarlig kapital eller samlet ansvarlig kapital i en kredittinstitusjon går under kapitalkravet slik det er fastsatt i Europaparlaments- og rådsforordning (EU) nr. 575/2013 av 26. juni 2013 om krav til kredittinstitusjoner og verdipapirforetak, og endringsforordning (EU) nr. 648/2012 («CRR»), er kredittinstitusjonen – herunder Nordea Finland – avskåret fra å utdele utbytte med mindre FFSA finner særskilt grunnlag for å innvilge et unntak for en bestemt periode.</p>

Avsnitt C – Verdipapirer

Element	Innholdskrav	Opplysninger
C.5	Begrensninger i verdipapirenes omsettelighet	Det er ingen bestemmelser i finsk rett eller i vedtektene til Nordea Finland som begrenser aksjenes omsettelighet, og selskapet er ikke kjent med at det foreligger aksjonæravtaler som innebærer slike begrensninger. Siden selskapet etter mottak av konsesjon som kredittinstitusjon fra ESB vil være en kredittinstitusjon, kan imidlertid direkte eller indirekte erverv av aksjer i Nordea Finland som medfører at erververens samlede aksjeinnehav utgjør et kvalifisert aksjeinnehav (10 prosent eller mer av aksjekapitalen eller stemmene, eller et aksjeinnehav som på annen måte gir erververen mulighet til å utøve en vesentlig påvirkning på ledelsen i selskapet) bare foretas etter samtykke fra ESB. Det er også krav om samtykke fra ESB dersom innehavet enten er eller overstiger 20 prosent, 30 prosent eller 50 prosent av aksjekapitalen eller stemmene.
C.6	Opptak / regulerte markeder hvor verdipapirene omsettes	Aksjene i Nordea Sverige er notert på Nasdaq Nordic gjennom børsen i Stockholm (i svenske kroner), Helsinki (i form av Nordea Sveriges FDRs med pris oppgitt i EUR) og København (i danske kroner). Nasdaq Helsinki, Nasdaq Stockholm og Nasdaq København har, på nærmere angitte vilkår, godkjent at aksjene i Nordea Finland noteres på de offisielle listene fra og med Gjennomføringsdatoen. På samme tidspunkt vil noteringen av aksjene i Nordea Sverige på Nasdaq Stockholm og Nasdaq København, i tillegg til noteringen av Nordea Sveriges FDRs på Nasdaq Helsinki, opphøre. Handel i aksjer i Nordea Finland på de offisielle listene i Nasdaq Helsinki, Nasdaq Stockholm og Nasdaq København er forventet å starte på eller omkring Gjennomføringsdatoen.
C.7	Utbyttepolitikk	I henhold til Nordea-konsernets utbyttepolitikk skal konsernet jobbe for å opprettholde en sterk kapitalposisjon i tråd med bankens kapitalpolitikk, med en målsetting om å oppnå en årlig økning i utbytte per aksje. Den gjeldende intensjonen er å opprettholde denne politikken i morselskapet i konsernet, uavhengig av den foreslåtte flyttingen og Fusjonen. Selv om Nordea Finland vedtar en slik utbyttepolitikk, vil selskapet foreta en årlig vurdering av forutsetningene for utbetaling av utbytte eller annen utdeling av fri egenkapital som kan resultere i et avvik fra utbyttepolitikken, herunder å beslutte at det ikke skal foretas utdeling av utbytte. Dermed vil summen av utbetalt utbytte i et nærmere angitt regnskapsår være usikker. Videre er det slik at utbetaling av utbytte eller annen utdeling av fri egenkapital fra selskapet i tidligere regnskapsperioder ikke kan sees som en indikasjon på at det vil bli utbetalt utbytte i fremtidige regnskapsperioder.

Avsnitt D – Risiko

Element	Innholdskrav	Opplysninger
D.1	Vesentlige risikoer knyttet til utsteder eller bransjen utsteder opererer i	<i>Den daglige forretningsvirksomheten til Nordea-konsernet, herunder i de nordiske hjemmemarkedene, vil ikke endres som følge av flyttingen. Med mindre det henvises til Fusjonen og/eller forventede transaksjoner i forbindelse med denne, eller det i konteksten uttrykkelig fremgår at noe annet er ment, skal risikofaktorene nedenfor gjenspeile virksomheten til Nordea-konsernet både før og etter gjennomføringen av Fusjonen.</i>

Risiko knyttet til Fusjonen

Risiko som knytter seg til Fusjonen inkluderer, men er ikke begrenset til:

- Det er risiko og usikkerhet knyttet til den foreslåtte flyttingen og Fusjonen og dersom Fusjonen ikke gjennomføres eller dersom gjennomføringen forsinkes kan det ha en vesentlig negativ innvirkning på Nordea-konsernets virksomhet, driftsresultater og finansielle situasjon;

Avsnitt D – Risiko

Element	Innholdskrav	Opplysninger
		<ul style="list-style-type: none">• dersom gjennomføringen av tiltakene som utføres som ledd i flytteprosessen mislykkes eller utsettes, kan dette medføre at gjennomføringen av Fusjonen mislykkes eller utsettes, og det vil kunne føre til negative følger for Nordea-konsernets virksomhet, driftsresultater og finansielle situasjon;• det er usikkert om Nordea klarer å realisere de besparelsene konsernet regner med å oppnå som følge av flyttingen og Fusjonen; og• det er usikkerhet knyttet til skattebehandlingen av Fusjonen i enkelte jurisdiksjoner, og lokale skattemyndigheter kan utfordre spørsmålet om Fusjonen er skattefri.

Risiko knyttet til Nordea-konsernets virksomhet

Risiko som knytter seg til rettslige og regulatoriske forhold i markedet Nordea-konsernet opererer i inkluderer, men er ikke begrenset til:

- Nordea-konsernet er underlagt omfattende regulering som er gjenstand for endringer;
- Nordea-konsernet kan pådra seg betydelige kostnader knyttet til kontroll og etterlevelse av nye krav til kapitaldekning og beredskaps- og krisetiltaksplaner;
- CRD IV innfører kapitalkrav som kommer i tillegg til minstekravene til kapitaldekning;
- nylige regulatoriske tiltak kan påvirke konsernets finansieringsbehov og kapitalposisjon;
- ved gjennomføringen av Fusjonen vil tilsynet av Nordea-konsernet bli overført til ESB, og konsernet vil bli underlagt forordning om etablering av enhetlig tilsynsmyndighet for banker i eurosonen (SSM) og enhetlige regler og en enhetlig prosedyre for avvikling av kredittinstitusjoner og visse verdipapirforetak i rammen av en avviklingsmekanisme (SRM);
- likviditetsrisiko følger som en del av konsernets virksomhet;
- Nordea-konsernets resultater kan bli påvirket dersom kravene til kapitaldekning skjerpes eller konsernets kapitaldekning anses for å være utilstrekkelig;
- rettslige og regulatoriske krav oppstår gjennom utførelsen av konsernets virksomhet;
- Nordea-konsernet er utsatt for risiko som følge av endringer i skattelovgivningen, herunder ved økning av skattesatsene;
- endringer i Nordea-konsernets regnskapsføring eller regnskapsprinsipper kan få betydelig innvirkning på hvordan driftsresultater og konsernets finansielle stilling rapporteres; og
- Nordea-konsernets finansieringskostnader og tilgang til lånekapitalmarkedet avhenger i stor grad av konsernets kredittvurdering.

Risiko som knytter seg til makroøkonomiske forhold inkluderer, men er ikke begrenset til:

- Negativ økonomisk utvikling og forhold i markedene konsernet opererer i, kan medføre negative virkninger for konsernets virksomhet og driftsresultat; og

Avsnitt D – Risiko

Element	Innholdskrav	Opplysninger
		<ul style="list-style-type: none"> uro og ustabilitet i det globale finansmarkedet kan få negative følger for konsernet. <p><i>Risiko som knytter seg til Nordea-konsernets utlånsportefølje inkluderer, men er ikke begrenset til:</i></p> <ul style="list-style-type: none"> Svekkelse av kontraktspartenes kredittkvalitet kan påvirke konsernets økonomiske resultat; og Nordea-konsernet er eksponert for kontraktspartenes kredittrisiko. <p><i>Risiko som knytter seg til markedseksponering inkluderer, men er ikke begrenset til:</i></p> <ul style="list-style-type: none"> Konsernet er utsatt for markedsprisisiko; og konsernet er utsatt for strukturell markedsrisiko. <p><i>Annen risiko som knytter seg til Nordea-konsernets virksomhet inkluderer, men er ikke begrenset til:</i></p> <ul style="list-style-type: none"> Operasjonell risiko, herunder risiko i tilknytning til investeringsrådgivning, kan påvirke konsernets virksomhet; Nordea-konsernets virksomhet utenfor det nordiske markedet, spesielt i Russland, er gjenstand for risikofaktorer som ikke gjør seg gjeldende, eller i mindre grad gjør seg gjeldende, for virksomheten i det nordiske markedet; lønnsomheten av Nordea-konsernets virksomhet innen livs- og pensjonsforsikring avhenger av regulering og retningslinjer i landene konsernet opererer; Nordea-konsernet kan mislykkes i å tiltrekke seg og beholde ledere og andre sentrale ansatte; Nordea-konsernet er utsatt for konkurranse i samtlige markeder; og det er ikke sikkert Nordea-konsernet klarer å foreta en vellykket gjennomføring av strategien.
D.3	Vesentlige risikoer knyttet til verdipapirene	<p>Risiko knyttet til aksjene i Nordea Finland inkluderer, men er ikke begrenset til:</p> <ul style="list-style-type: none"> Nordea Finlands evne til å utbetale utbytte og annen utdeling av fri egenkapital i tråd med sin utbyttepolitikk, eller på annen måte, er avhengig av at selskapet har tilgjengelige midler til utdeling, og Nordea Finland kan være ute av stand til å utbetale, eller beslutte ikke å utbetale, utbytte eller annen utdeling av fri egenkapital i fremtiden; mulige endringer i det finske regelverket for kildeskatt kan øke satsen på kildeskatt for anonyme, nominee-registrerte aksjonærer; utstedelsen av Fusjonsvederlaget til aksjonærene i Nordea Sverige kan være skattepliktig i enkelte jurisdiksjoner, og det anbefales at aksjonærene i Nordea Sverige henvender seg til profesjonelle skatterådgivere med hensyn til de skattemessige konsekvensene som kan oppstå gjennom Fusjonen; interessene til enkelte større aksjonærer i Nordea Finland kan avvike fra interessene til andre aksjonærer; fremtidig utstedelse eller salg av et betydelig antall aksjer i Nordea Finland kan medføre en negativ innvirkning på markedsverdien av

Avsnitt D – Risiko

Element	Innholdskrav	Opplysninger
		<p>aksjer i Nordea Finland, og potensielle fremtidige aksjeutstedelser av selskapet kan føre til en utvanning av eierskapet for eksisterende aksjonærer;</p> <ul style="list-style-type: none">• det kan hende at enkelte utenlandske aksjonærer ikke vil være i stand til å utøve forkjøpsretten eller andre aksjonærrettigheter slik de er nedfelt i den finske aksjeloven;• markedsprisen for aksjene i Nordea Finland kan variere betydelig;• gjennomføringen av transaksjoner knyttet til aksjene i Nordea Finland er avhengig av prosessene, systemene og samarbeidet tilknyttet Euroclear Finland Ltd, Euroclear Sweden AB og VP Securities A/S; og• investorer som anvender en annen valuta enn EUR, vil utsettes for enkelte omsetningsrisikoer gjennom investeringer i Nordea Finland.

Avsnitt E – Tilbudet

Element	Innholdskrav	Opplysninger
E.1	Nettoproveny og estimerte kostnader	<p>Nordea Finland vil ikke oppnå noe kontantproveny gjennom Fusjonen. Det er estimert at de samlede kostnadene Nordea vil pådra seg i forbindelse med flyttingen og Fusjonen hovedsakelig knytter seg til gjennomførings- og prosjektkostnader, herunder informasjonsteknologi («IT»), juridiske- og rådgivningskostnader, men unntatt personalkostnader, og anslagsvis utgjøre EUR 100 millioner før skatt (ikke-diskontert), hvorav EUR 11 millioner påløpt per 31. desember 2017.</p>
E.2a	Bakgrunnen for tilbudet, bruk av provenyet og estimert nettoproveny	<p>I første kvartal av 2017 iverksatte Nordea en utredning av ulike alternativer for å adressere den betydningen det svenske regulatoriske rammeverket har for Nordea-konsernet, herunder avvikene fra det regulatoriske rammeverket i EUs bankunion. Mulighetene som ble vurdert, var blant annet å flytte hovedkontoret i Nordea-konsernet fra Sverige.</p> <p>Etter at utredningen var gjennomført besluttet styret i Nordea Sverige den 6. september 2017 å igangsette en flytteprosess av morselskapet i Nordea-konsernet fra Sverige til Finland, som deltar i EUs bankunion. Avgjørelsen baserte seg på konsernets unike nordiske- og internasjonale organisering som medfører at det gjeldende nasjonale regulatoriske rammeverket ikke i tilstrekkelig grad tilrettelegger for Nordea-konsernets virksomhetsmodell og nylige strategiutvikling. Ved å flytte morselskapet i konsernet til et land som deltar i EUs bankunion, forventer Nordea Sverige at konsernet blir underlagt et tilsvarende regulatorisk rammeverk som de europeiske konkurrentene, med større grad av forutsigbarhet i gjennomføringen av lovbestemmelser og reguleringer, og dermed også likere vilkår. Nordea Sverige forventer at dette vil være til fordel for både kunder, aksjonærer og ansatte. Den daglige forretningsvirksomheten i Nordea-konsernet, herunder det nordiske markedet, vil ikke endres som følge av flyttingen, og det er ikke forventet endringer i den daglige driften fra et kundeperspektiv.</p> <p>Nordea Sverige forventer at nettoverdien av de samlede besparelsene som knytter seg til resolusjonsavgifter, depositumsgarantier og andre effekter av flyttingen til Finland vil utgjøre om lag EUR 0,9–1,2 milliarder. Av disse besparelsene forventes det at EUR 0–90 millioner realiseres mellom 2017 og 2019, og EUR 900–1 070 millioner etter 2019. Resolusjonsavgifter og depositumsgarantier som skal betales i 2018, forventes å øke med anslagsvis EUR 60–130 millioner sammenlignet med 2017. I 2019 forventes det at disse utgiftene vil være fra EUR 10 millioner lavere til EUR 60 millioner høyere sammenlignet med 2017.</p>

Avsnitt E – Tilbudet

Element	Innholdskrav	Opplysninger
		<p><i>Drøftelsen ovenfor er basert på forventningene Nordea Sverige har for nettoverdien av besparelsene som knytter seg til resolusjonsavgifter, depositumsgarantier og andre effekter av flyttingen til Finland. Selskapet har beregnet forventet nåverdi av flyttingen ved å beregne nåverdien av fremtidige effekter av resultatregnskapet etter skatt, på bakgrunn av informasjonsgrunnlaget på tidspunktet for Prospektet. De underliggende beregningene av nettoverdien av forventede besparelser er basert på gjeldende lover og regler, og med forutsetning om at flyttingen og Fusjonen gjennomføres med skattemessig kontinuitet som en grenseoverskridende omvendt fusjon ved opptak innen den forventede tidsrammen, den 1. oktober 2018.</i></p> <p><i>Beregningen av nåverdien i dette avsnittet er gjenstand for endringer, og beregningene er basert på en rekke forutsetninger og vurderinger som blant annet knytter seg til hvilket nivå resolusjonsavgifter og depositumsgarantier vil ligge på i tiden fremover, samt hvilke effekter flyttingen vil ha. Videre er beregningene utformet i samsvar med Nordea Sveriges nåværende forventninger til utviklingen i det kommersielle markedet, regelverk og makroøkonomien. Beregningene tar ikke høyde for uventede hendelser som blant annet kan oppstå som følge av endringer i regelverk, inklusive gjeldende kapitalkrav, som vil påvirke Nordea-konsernet.</i></p>
E.3	Vilkår og betingelser for tilbudet	<p>Den 25. oktober 2017 signerte styret i Nordea Sverige og Nordea Finland Fusjonsplanen som angir vilkår og betingelser samt fremgangsmåten for Fusjonen. I henhold til Fusjonsplanen foreslår de to styrene at Nordea Sverige fusjoneres inn i Nordea Finland gjennom Fusjonen, som foreslås gjennomført som en grenseoverskridende omvendt fusjon ved opptak i tråd med bestemmelsene i kapittel 16, paragraf 19 – 28 i den finske aksjeloven, kapittel 2 i den finske lov om kommersiell bankvirksomhet, kapittel 23, paragraf 36 (med videre henvisninger) i den svenske aksjeloven (svensk: aktiebolagslag (2005:551) («Swedish Companies Act»)), samt kapittel 10, avsnitt 18 – 25b i den svenske lov om bank- og finansieringsvirksomhet (svensk: lag (2004:297) om bank- och finansieringsrörelse) («Swedish Banking and Financing Business Act»)). Nordea Sverige vil automatisk oppløses på Gjennomføringsdatoen som resultat av Fusjonen.</p> <p>Som Fusjonsvederlag vil aksjonærene i Nordea Sverige motta én ny aksje i Nordea Finland for hver aksje de eier i Nordea Sverige på Gjennomføringsdatoen, med det resultat at Fusjonsvederlaget utstedes til aksjonærene i Nordea Sverige i henhold til det eksisterende aksjeinnehavet i bytteforholdet 1:1. Bytteforholdet er fastsatt på bakgrunn av at Nordea Finland er et heleid datterselskap av Nordea Sverige uten egen virksomhet, som medfører at verdien av aksjene i Nordea Finland etter Fusjonen gjenspeiler verdien av aksjene i Nordea Sverige. Ved gjennomføringen av Fusjonen vil aksjekapitalen i Nordea Finland forhøyes fra EUR 5 000 000 til 4 049 951 919, tilsvarende aksjekapitalen i Nordea Sverige.</p> <p>Styret i Nordea Sverige vil fremlegge Fusjonsplanen til godkjenning fra selskapets aksjonærer på generalforsamlingen som skal avholdes den 15. mars 2018. Godkjenning av Fusjonsplanen avhenger av at det oppnås et flertall på 2/3 av de fremmøtte aksjene og avgitte stemmene. Dersom generalforsamlingen ikke godkjenner Fusjonsplanen, vil ikke Fusjonen kunne gjennomføres. I tillegg til godkjenning fra generalforsamlingen er gjennomføringen av Fusjonen betinget av at nødvendige regulatoriske konsesjoner og interne samtykker foreligger. Styret i Nordea Sverige anbefaler at selskapets generalforsamling godkjenner Fusjonsplanen. De nødvendige regulatoriske forutsetningene for gjennomføringen av Fusjonen knytter seg blant annet til konsesjon fra SFSA, som i konsesjonsprosessen vil ta stilling til om kreditorene i Nordea Sverige får tilstrekkelig sikkerhet der dette er påkrevd, med hensyn til både den finansielle situasjonen i Nordea Sverige og Nordea Finland, og interessene til spare- og kredittkunder i Nordea Sverige. I tillegg kan SFSA avslå konsesjonssøknaden dersom avslaget begrunnes til å være av hensyn til allmenhetens interesser.</p>

Avsnitt E – Tilbudet

Element	Innholdskrav	Opplysninger
		<p>Såfremt forutsetningene for gjennomføring oppnås, vil Fusjonen gjennomføres på Gjennomføringsdatoen, og med det siktes det til tidspunktet når det finske foretaksregisteret registrerer gjennomføringen av Fusjonen. Det er planlagt at registreringen skal finne sted i løpet av andre halvdel i 2018, forsøksvis den 1. oktober 2018. På dette tidspunkt vil aksjonærene i Nordea Sverige bli aksjonærer i Nordea Finland, og Nordea Sverige vil automatisk oppløses på Gjennomføringsdatoen som resultat av Fusjonen. Av regnskapsmessige- og juridiske grunner vil Nordea Sveriges rettigheter og forpliktelser, samt eiendeler og gjeld, overføres til Nordea Finland på Gjennomføringsdatoen i samsvar med gjeldende finsk og svensk selskapsrett, og Nordea Sveriges transaksjoner vil anses utført av Nordea Finland. Senest på Gjennomføringsdatoen vil Nordea Finland endre navn til Nordea Bank Abp, og som følge av Fusjonen vil selskapet offisielt ta til seg alle navnene, i tillegg til oversettelsene av disse, til de ulike filialene i Nordea Sverige. Ved gjennomføringen av Fusjonen vil imidlertid navnene til Nordea Finlands nye filialer i Sverige og blant annet Danmark, Norge, Estland, Kina, Polen, Singapore, Storbritannia, Tyskland og USA (samlet omtalt som «Relevant Jurisdictions»), oppdateres for å gjenspeile det nye morselskapet i Nordea-konsernet.</p> <p>I henhold til svensk lov har aksjonærer i et fusjonerende selskap på generalforsamlingen hvor fusjonsbeslutningen fattes, ikke rett til å kreve at aksjene deres skal innløses. Derfor, og til forskjell fra finsk lov, har aksjonærer i Nordea Sverige som motsetter seg Fusjonen ikke rett til, på Nordea Sveriges ordinære generalforsamling, å kreve at aksjene deres innløses. Aksjonærer i Nordea Sverige som ikke ønsker å motta aksjer i Nordea Finland som Fusjonsvederlag, må avhende aksjene i Nordea Sverige senest den 28. september 2018.</p> <p>Dersom Fusjonsplanen godkjennes av generalforsamlingen i Nordea Sverige, vil de av selskapets aksjonærer som ønsker å forbli aksjonærer i Nordea Finland etter Fusjonen, ikke behøve å foreta seg noe i forbindelse med fusjonsprosessen.</p>
E.4	Vesentlige og motstridende interesser	Ikke relevant.
E.5	Selgende aksjonær	Ikke relevant.
	Bindingsavtaler	Ikke relevant.
E.6	Utvanning som følge av tilbudet	Ikke relevant.
E.7	Estimerte kostnader som vil bli belastet investorene	Ikke relevant. Investorer vil ikke bli belastet utgifter direkte av Nordea Finland i forbindelse med Fusjonen.

RÉSUMÉ EN FRANÇAIS

Les résumés sont constitués d'éléments d'information dont la communication est requise dénommés « Eléments ». Ces éléments sont numérotés dans les sections A-E (A.1-E.7).

Le présent résumé contient l'ensemble des Eléments qui doivent être inclus dans un résumé pour ce type de titres et d'émetteur. L'insertion de certains Eléments n'étant pas obligatoire, il est possible qu'il y ait des sauts de la numérotation dans la séquence des Eléments.

Même si l'insertion dans le résumé d'un Elément peut être requise en raison du type des titres et d'émetteur, il est possible qu'aucune information pertinente ne puisse être donnée concernant cet Elément. Dans ce cas, une brève description de l'Elément est insérée dans le résumé accompagnée de la mention « sans objet ».

Section A – Introduction et avertissements

Elément	Intitulé	Information
A.1	Introduction	<i>Le présent résumé doit être lu comme une introduction au Prospectus. Toute décision d'investir dans les titres Nordea Finland doit être fondée sur un examen exhaustif du Prospectus par l'investisseur potentiel. Lorsqu'une action concernant l'information contenue dans le Prospectus est intentée devant un tribunal, l'investisseur peut, selon la législation nationale des États membres, avoir à supporter les frais de traduction du Prospectus avant le début de la procédure judiciaire. Les personnes ayant présenté le résumé, y compris sa traduction, engagent leur responsabilité mais uniquement si le contenu du résumé est trompeur, inexact ou contradictoire par rapport aux autres parties du Prospectus ou s'il ne fournit pas, lu en combinaison avec les autres parties du Prospectus, les informations clés permettant d'assister les investisseurs lorsqu'ils envisagent d'investir dans les titres Nordea Finland.</i>
A.2	Consentement	Sans objet.

Section B – Emetteur

Elément	Intitulé	Information
B.1	Raison sociale et nom commercial	<p>À la date du présent Prospectus, Nordea Bank AB (<i>public limited liability company</i>) (c'est-à-dire, Nordea Sweden) est la société mère du Groupe Nordea. Le 6 septembre 2017, le Conseil d'administration de Nordea Sweden a décidé d'initier une re-domiciliation de la société-mère du Groupe Nordea de la Suède vers la Finlande (un pays participant à l'union bancaire au sein de l'Union européenne (l'« UE »)), qui devrait bénéficier à ses clients, actionnaires et employés. Voir la Section E.2a ci-dessous pour plus d'informations sur les raisons de la décision de re-domiciliation et les avantages attendus liés à celle-ci.</p> <p>La re-domiciliation serait réalisée par voie de Fusion, qui est une fusion transfrontalière inversée par voie d'absorption par laquelle Nordea Sweden, la société mère actuelle du Groupe Nordea, sera fusionnée avec Nordea Holding Abp (Nordea Holding Oyj en finlandais), une filiale finlandaise, nouvellement créée, de Nordea Sweden. Nordea Finland changera sa dénomination sociale en Nordea Bank Abp au plus tard à la Date de Réalisation. Après la réalisation de la Fusion, la société mère du Groupe Nordea sera Nordea Bank Abp (c'est-à-dire, Nordea Finland).</p> <p>La réalisation de la Fusion est soumise, entre autres conditions, à l'approbation du Plan de Fusion par l'Assemblée Générale Annuelle de Nordea Sweden ; à l'obtention des autorisations, accords et autres décisions des autorités compétentes, en ce compris, l'obtention par Nordea Finland d'une autorisation de la BCE pour opérer des activités bancaires, des services d'investissement et des activités de placement ; à l'admission des actions Nordea Finland aux négociations sur les marchés réglementés du Nasdaq de Stockholm, du Nasdaq d'Helsinki et du Nasdaq de Copenhague au moment où la Contrepartie est distribuée ; à l'absence d'interdiction ou d'abandon de la Fusion par les Conseils d'administration de Nordea Sweden et de Nordea Finland ; et à</p>

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Elément	Intitulé	Information
		l'enregistrement de la Fusion auprès du Registre du commerce finlandais. La Fusion devrait être enregistrée auprès du Registre du commerce finlandais au cours du second semestre de 2018, en principe le 1 ^{er} octobre 2018. Nordea Sweden sera dissoute automatiquement à la Date de Réalisation à la suite de la Fusion.
B.2	Siège social/forme juridique/législation/pays d'immatriculation	<p>Nordea Sweden est une société anonyme bancaire (<i>public limited liability banking company</i>) de droit finlandais immatriculée en Suède.</p> <p>Nordea Finland est une société anonyme (<i>public limited liability company</i>) de droit finlandais, immatriculée et domiciliée en Finlande. Au moment de la réalisation de la Fusion, Nordea Finland sera une société anonyme bancaire (<i>public limited liability banking company</i>) et, à ce titre, sera soumise, notamment, à la Loi Finlandaise sur les Etablissements de Crédit (<i>laki luottolaitostoiminnasta (610/2014)</i>) (la « Loi Finlandaise sur les Etablissements de Crédit ») et la Loi Finlandaise sur les Banques Commerciales (<i>laki liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista (1501/2001)</i>) (la « Loi Finlandaise sur les Banques Commerciales »).</p>
B.3	Principales activités	<p>Les activités opérationnelles du Groupe Nordea, y compris sur ses marchés domestiques scandinaves, ne seront pas modifiées du fait de la re-domiciliation, et aucun changement dans les activités opérationnelles n'est attendu pour les clients.</p> <p>Le Groupe Nordea est le plus grand groupe de services financiers des marchés scandinaves (Danemark, Finlande, Norvège et Suède) en termes de chiffre d'affaires ; il est également implanté en Russie et au Luxembourg, et dispose de plusieurs agences ailleurs dans le monde. Le Groupe Nordea est également présent en Estonie, en Lettonie et en Lituanie à travers Luminor, une banque balte détenue par Nordea et DNB ASA (« DNB »), qui regroupe les clients du Groupe Nordea et de DNB sur les trois marchés. Nordea estime disposer de la clientèle la plus étendue de tous les groupes de services financiers basés sur le marché scandinave, avec plus de 10 millions de clients sur les marchés sur lesquels il opère, dont environ 9,6 millions de particuliers et environ 0,6 millions de clients professionnels actifs, au 31 décembre 2017. A cette même date, le total des actifs du Groupe Nordea s'élevait à 581,6 milliards d'euros et ses fonds propres de catégorie 1 s'élevaient à 28,0 milliards d'euros ; il est le plus gros gérant d'actifs basé en Scandinavie, avec 330,4 milliards d'euros d'encours sous gestion.</p> <p>En tant que banque universelle, le Groupe Nordea offre une gamme complète de produits et de services bancaires et financiers aux particuliers et aux professionnels, y compris aux institutions financières. Les produits et services du Groupe Nordea comprennent une large gamme de services bancaires pour les particuliers, y compris les prêts hypothécaires et à la consommation, les cartes de crédit et de débit, et un large choix de produits d'épargne, d'assurance-vie et de retraite. En outre, le Groupe Nordea propose une large gamme de services bancaires aux professionnels, y compris les prêts aux entreprises, la gestion de trésorerie, les services de paiement et de traitement des comptes, les produits de gestion des risques et des services de conseil, des titres de dette et des produits actions pour des besoins de liquidité et d'accès au capital, ainsi que le financement d'entreprises, les services de gestion d'actifs institutionnels et les produits d'assurance-vie et de retraite. Le Groupe Nordea distribue également des produits d'assurance générale. Avec environ 500 bureaux de succursales, des centres d'appels dans chacun des marchés scandinaves, et une banque en ligne, le Groupe Nordea dispose également du plus grand réseau de distribution pour clients sur les marchés scandinaves.</p> <p>L'ambition et la vision du Groupe Nordea est de fonctionner comme « <i>One Nordea</i> » dans la région scandinave. Afin de réaliser cette ambition et cette</p>

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Elément	Intitulé	Information
		<p>vision, le Groupe Nordea a introduit en 2015 un programme de transformation impliquant, notamment, des investissements significatifs en matière technologique afin de disposer d'un système unique pour tous les principaux produits bancaires. Le Groupe Nordea continuera à déployer « <i>One Nordea</i> » et son modèle de banque relationnelle à travers une culture renforcée et une exécution cohérente axée sur les quatre principaux domaines suivants : une vision claire de la clientèle; une manière commune de travailler; une simplification des systèmes communs; et des valeurs communes. En ligne avec cette ambition, les priorités stratégiques du Groupe Nordea comprennent le renforcement de l'organisation centrée sur le client du Groupe Nordea, la transformation digitale et de la distribution, la simplification, la confiance et la responsabilité.</p>
B.4a	Tendances récentes significatives de l'émetteur et de son activité	<p>La performance du Groupe Nordea est significativement influencée et continuera, suite à la re-domiciliation et à la Fusion, à être significativement influencée par la situation économique générale dans les pays dans lesquels il opère, en particulier les marchés nordiques (Danemark, Finlande, Norvège et Suède) et, dans une moindre mesure, en Russie et, par l'intermédiaire de la participation de Nordea dans Luminor, une banque balte détenue par Nordea et DNB qui comprend les clients de Nordea et de DNB à travers l'Estonie, la Lettonie et la Lituanie, dans les pays baltes. Au cours des dernières années, l'évolution des conditions économiques dans la région nordique a été, en général, plus favorable que dans le reste de l'Europe, bénéficiant de finances publiques solides. Les évolutions sont cependant différentes entre les pays de la région. En 2015, l'économie suédoise a connu une croissance de plus de 3 %. Au Danemark, l'économie a connu une croissance soutenue au début de 2015, mais cette dernière a ralenti au second semestre 2015. L'économie norvégienne a progressé au premier semestre 2015 mais a été de plus en plus impactée par la détérioration accélérée des prix du pétrole plus tard dans l'année. L'économie finlandaise est restée plus modérée en 2015, avec des taux de croissance oscillant entre positif et négatif sur l'année. En 2016, le développement des économies nordiques a été caractérisé par des divergences. En Suède, le développement a continué à être important, la croissance dépassant encore 3 %. Au Danemark, l'économie a initialement connu une croissance régulière mais a ralenti au second semestre 2016. Néanmoins, le développement sur l'ensemble de l'année a été positif, poursuivant une tendance d'amélioration progressive. En 2016, l'économie norvégienne a initialement maintenu sa croissance, mais a été progressivement pénalisée à la suite de la détérioration des prix du pétrole. Même si l'économie finlandaise a progressé en 2016, le développement économique en Finlande est resté plus modéré, les taux de croissance ayant oscillé entre positif et négatif au cours des trimestres. L'économie mondiale a connu une accélération de la croissance en 2017, avec une hausse modérée de l'inflation et une faible volatilité des marchés financiers. Malgré les développements géopolitiques, les prix des actifs mondiaux ont fortement augmenté et la volatilité des marchés financiers a été extrêmement faible en 2017. Le soutien des banques centrales est resté soutenu. L'économie américaine s'est développée à un rythme soutenu et sa banque centrale a poursuivi la normalisation de sa politique de taux d'intérêt. L'économie européenne a atteint son plus haut niveau depuis 2011, soutenue par la faiblesse des taux d'intérêt, la baisse du chômage et la forte demande intérieure. Les inquiétudes au sujet de la croissance des marchés émergents ont continué de se dissiper à mesure que l'activité commerciale mondiale et les prix des matières premières augmentaient. En 2017, les économies nordiques ont connu une croissance simultanée pour la première fois depuis de nombreuses années. En Suède, la situation économique est restée solide avec une croissance supérieure à 2,5 %, tandis que l'économie danoise a progressé de 2 %, malgré une croissance négative au troisième trimestre due à des facteurs temporaires. La croissance en Norvège s'est également accélérée, soutenue par le rétablissement des prix du pétrole et le faible taux de chômage. En Finlande, l'économie a progressé de plus de 3 % à la fois grâce à la forte demande intérieure et à</p>

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Elément	Intitulé	Information
		l'augmentation des exportations. Ces dernières années, l'économie russe a néanmoins été négativement affectée par la crise dans la région de Crimée et dans l'est de l'Ukraine.
B.5	Le Groupe	Le Groupe Nordea est composé de la société mère Nordea Sweden et de ses filiales consolidées. Après la réalisation de la Fusion, la société mère du Groupe Nordea sera Nordea Finland.
B.6	Actionnariat	Les actionnaires de Nordea Sweden recevront une action nouvelle Nordea Finland pour chaque action Nordea Sweden qu'ils détiennent à la Date de Réalisation (c'est-à-dire, la « Contrepartie »), ce qui signifie que la Contrepartie sera distribuée aux actionnaires de Nordea Sweden proportionnellement à leur détention actuelle avec un ratio d'échange de 1 : 1. Par conséquent, immédiatement après la réalisation de la Fusion, l'actionnariat de Nordea Finland sera identique à celui de Nordea Sweden immédiatement avant la réalisation de la Fusion.

A la connaissance de Nordea Sweden, les actionnaires suivants détiennent, directement ou indirectement, une participation dans le capital ou les droits de vote de Nordea Sweden qui est significative en droit suédois et en droit finlandais au 31 janvier 2018 :

	Nombre d'actions (en millions)	Pourcentage de capital et de droits de vote⁽¹⁾
Sampo plc	860,4	21,3

(1) Hors actions émises dans le cadre de programmes d'intéressement à long terme (« **LTIPs** »).

Section B – Emetteur

Elément	Intitulé	Information
B.7	Informations financières historiques clés sélectionnées	<p>Principaux éléments financiers consolidés et autres données du Groupe Nordea</p> <p>Le compte de résultat et le bilan consolidés sommaires présentés ci-dessous sont tirés des états financiers consolidés audités du Groupe Nordea pour les exercices clos les 31 décembre 2015, 2016 et 2017, qui incluent les données comparatives retraitées pour l'exercice clos le 31 décembre 2015 incluses dans les états financiers consolidés audités du Groupe Nordea pour l'exercice clos le 31 décembre 2016, incorporés par référence dans le présent Prospectus. Ces états financiers ont été préparés conformément aux normes internationales d'information financière telles qu'adoptées par l'Union européenne (« IFRS »). Nordea Finland, la société mère du Groupe Nordea postérieurement à la réalisation de la Fusion, a été enregistrée auprès du Registre du commerce finlandais le 27 septembre 2017 et aucun état financier historique n'a été préparé la concernant. Les états financiers consolidés audités du Groupe Nordea, incorporés par référence dans le présent Prospectus, ont été préparés pour le Groupe Nordea avec Nordea Sweden en tant que société mère. Étant donné que la Fusion sera traitée dans les comptes consolidés du Groupe Nordea comme une réorganisation au sein du groupe consolidé, la Fusion en tant qu'opération intragroupe ne modifie pas le périmètre comptable selon les normes IFRS. Par conséquent, les états financiers consolidés de Nordea Finland, nouvelle société mère du Groupe Nordea, reflèteront une continuité des valeurs comptables provenant des états financiers consolidés de Nordea Sweden, ancienne société mère du Groupe Nordea, qui sont incorporés par référence dans le présent Prospectus.</p>

Éléments sélectionnés du compte de résultat consolidé

	Pour l'exercice clos le 31 décembre		
	2015	2016	2017
	(en millions d'euros, sauf indication contraire)		
Intérêt créditeur net	4 963 ⁽¹⁾	4 727	4 666
Revenu de frais et commissions net	3 230 ⁽¹⁾	3 238	3 369
Plus-values/Moins-values nettes sur actifs à juste valeur	1 645 ⁽¹⁾	1 715	1 328
Bénéfices de sociétés comptabilisées selon la méthode de mise en équivalence	39	112	23
Autres produits d'exploitation	<u>263</u>	<u>135</u>	<u>83</u>
Total des produits d'exploitation	10 140	9 927	9 469
Frais généraux:			
Frais de personnels	(3 263)	(2 926)	(3 212)
Autres dépenses	(1 485)	(1 646)	(1 622)
Dépréciation, amortissement et perte de valeur d'actifs corporels et incorporels	<u>(209)</u>	<u>(228)</u>	<u>(268)</u>
Total des charges d'exploitation	(4 957)	(4 800)	(5 102)
Bénéfice avant pertes sur prêts	5 183	5 127	4 367
Pertes nettes sur prêts	<u>(479)</u>	<u>(502)</u>	<u>(369)</u>
Bénéfice d'exploitation	4 704	4 625	3 998
Impôt sur les bénéfices	<u>(1 042)</u>	<u>(859)</u>	<u>(950)</u>
Bénéfice net de l'exercice	3 662	3 766	3 048
Attribuable aux:			
Actionnaires de Nordea Bank AB (publ)	3 662	3 766	3 031
Intérêts minoritaires	–	–	17
Total	<u>3 662</u>	<u>3 766</u>	<u>3 048</u>
Bénéfice par action, EUR	0,91	0,93	0,75
Bénéfice dilué par action, EUR	0,91	0,93	0,75

(1) En raison (i) d'un reclassement en 2016 des frais de refinancement et des frais de décaissement reçus dans le cadre des prêts hypothécaires au Danemark, du poste « Plus-values/Moins-values nettes sur actifs à juste valeur » au poste « Revenu de frais et commission net » et (ii) d'un reclassement en 2016 des frais de garantie d'Etat du poste « Revenu de frais et commissions net » au poste « Intérêt créditeur net », le Groupe Nordea a retraité les données comparatives du compte de résultat pour l'exercice clos le 31 décembre 2015 inclus dans les états financiers consolidés audités du Groupe Nordea pour l'exercice clos le 31 décembre 2016. Les données retraitées pour 2015 présentées ici n'ont pas été auditées. Les données non retraitées auditées pour l'exercice clos le 31 décembre 2015 sont l'intérêt créditeur net qui s'élève à 5 110 millions d'euros, le revenu de frais et commissions net qui s'élève à 3 025 millions d'euros et les plus-values/moins-values nettes sur actifs à juste valeur qui s'élèvent à 1 703 millions d'euros.

Section B – Emetteur

Eléments sélectionnés du bilan consolidé

	Au 31 décembre		
	2015	2016	2017
	(millions d'euros)		
Disponibilités et soldes auprès des banques centrales	35 500	32 099	43 081
Prêts et créances sur des banques centrales	13 224	11 235	4 796
Prêts et créances sur les établissements de crédit	10 762 ⁽¹⁾	9 026	8 592
Prêts et créances sur le public	340 920	317 689	310 158
Titres porteurs d'intérêts	86 535 ⁽¹⁾	87 701	75 294
Instruments financiers nantis.....	8 341	5 108	6 489
Actions.....	22 273 ⁽¹⁾	21 524	17 180
Actifs en structure de <i>pooling</i> et contrats d'investissement en unités de compte	20 434 ⁽¹⁾	23 102	25 879
Instruments financiers dérivés.....	80 741	69 959	46 111
Autres ⁽²⁾	28 138 ⁽¹⁾	29 319	21 846
Actifs destinés à la vente ⁽³⁾	–	8 897	22 186
Total actif	646 868	615 659	581 612
Dettes envers les établissements de crédit	44 209	38 136	39 983
Dettes et emprunts auprès du public	189 049 ⁽⁴⁾	174 028	172 434
Dettes en structure de <i>pooling</i> et contrats d'investissement en unités de compte.....	21 088 ⁽⁴⁾	23 580	26 333
Dettes envers des détenteurs de police.....	38 707 ⁽⁴⁾	41 210	19 412
Titres de créance émis	201 937	191 750	179 114
Instruments financiers dérivés.....	79 505	68 636	42 713
Autres ⁽⁵⁾	41 341 ⁽⁴⁾	41 021	42 276
Passifs destinés à la vente ⁽³⁾	–	4 888	26 031
Total passif	615 836	583 249	548 296
Total des capitaux propres	31 032	32 410	33 316
dont détenteurs de fonds propres additionnels de catégorie 1	–	–	750
dont intérêts minoritaires	1	1	168
Total passif et capitaux propres	646 868	615 659	581 612

- (1) Le Groupe Nordea a reclassé en 2016 certains titres porteurs d'intérêts et actions sur la ligne de bilan distincte « actifs en structure de *pooling* et contrats d'investissement en unités de compte » afin de les séparer des actifs pour lesquels le Groupe Nordea supporte le risque d'investissement. En raison de ce reclassement, le Groupe Nordea a retraité les données comparatives des postes « prêts et créances sur les établissements de crédit », « titres porteurs d'intérêts », « actions », « placement de biens immobiliers » et « autres actifs » au 31 décembre 2015 inclus dans les états financiers consolidés audités du Groupe Nordea pour l'exercice clos au 31 décembre 2016. Les données retraitées au 31 décembre 2015 présentées ici n'ont pas été auditées. Les données non retraitées auditées correspondantes au 31 décembre 2015 s'élèvent à 10 959 millions d'euros pour les prêts et créances sur les établissements de crédit, à 88 176 millions d'euros pour les titres porteurs d'intérêts, à 40 745 millions d'euros pour les actions et à 28 262 millions d'euros pour autres (qui, tel que défini aux fins du tableau ci-dessus, comprend les placements de biens immobiliers qui ont diminué de 111 millions d'euros et les autres actifs qui ont diminué de 13 millions d'euros en raison de ce retraitement).
- (2) Comprend les variations de juste valeur des éléments couverts dans la couverture de portefeuille du risque de taux d'intérêt, des investissements dans des entités satellites, des actifs incorporels, des immobilisations corporelles, des biens de placement, des actifs d'impôt différé, des actifs d'impôt exigibles, des actifs de prestation retraite, des dépenses payées d'avance et des bénéfices cumulés et d'autres actifs, qui comprennent des demandes sur des produits de règlement de titres, des recouvrables de réassurance et autres.
- (3) Les actifs et passifs destinés à la vente au 31 décembre 2017 se rattachent à la décision de Nordea de vendre 45 % supplémentaires des actions de Danish Livea Livsforsikringsselskab A/S. Les actifs et passifs destinés à la vente au 31 décembre 2016 comprennent les activités baltes du Groupe Nordea et l'activité de prêts aux clients de détail en Russie. Les actifs et les passifs liés aux groupes destinés à être cédés sont présentés sur les lignes de bilan séparées « actifs destinés à la vente » et « passifs destinés à la vente », respectivement, à compter de la date de classification.
- (4) Suite aux changements de politique comptable mentionnés dans la note (1) ci-dessus, le Groupe Nordea a reclassé en 2016 les passifs correspondant aux actifs en structure de *pooling* et contrats d'investissement en unités de compte à la ligne de bilan distincte « dettes en structure de *pooling* et contrats d'investissement en unités de compte » étant donné que ces passifs fonctionnent différemment des dépôts habituels reçus des clients. En raison de ce reclassement, le Groupe Nordea a retraité les données comparatives des postes « dettes et emprunts auprès du public », « dettes envers des porteurs de police » et « autres » passifs au 31 décembre 2015 inclus dans les états financiers consolidés audités du Groupe Nordea pour l'exercice clos au 31 décembre 2016. Les données retraitées au 31 décembre 2015 présentées ici n'ont pas été auditées. Les données non retraitées auditées correspondantes au 31 décembre 2015 s'élèvent à 193 342 millions d'euros pour les dettes et emprunts auprès du public, à 55 491 millions d'euros pour les dettes envers des porteurs de police et à 41 352 millions d'euros pour autres (qui, tel que défini aux fins du tableau ci-dessus, comprend les autres passifs qui ont diminué de 11 millions d'euros du fait du retraitement).
- (5) Comprend des variations de juste valeur des éléments couverts dans la couverture de portefeuille du risque de taux d'intérêt, des charges d'impôt exigibles, des dépenses cumulées et bénéfices prépayés, des passifs d'impôts différés, des provisions, des passifs de prestations retraite, passifs subordonnés et d'autres dettes, comprenant des dettes de règlement de titres, des titres vendus (non détenus), des dettes-fourisseurs et autres.

Section B – Emetteur

Ratios Réglementaires Clés et Indicateurs Financiers Clés ⁽¹⁾

	Pour l'exercice clos le 31 décembre		
	2015	2016	2017
Ratios Réglementaires Clés			
Ratio de pertes sur prêts, points de base ⁽²⁾	14	15	12
Ratio de fonds propres de base de catégorie 1, excluant le plancher Bâle I ⁽³⁾⁽⁴⁾ , %	16,5	18,4	19,5
Ratio de fonds propres de catégorie 1, excluant le plancher Bâle I ⁽³⁾⁽⁴⁾ , %	18,5	20,7	22,3
Ratio du total des fonds propres, excluant le plancher Bâle I ⁽³⁾⁽⁴⁾ , %	21,6	24,7	25,2
Fonds propres de catégorie 1 ⁽³⁾⁽⁴⁾ , EUR milliards	26,5	27,6	28,0
Montant d'exposition au risque, excluant le plancher Bâle I ⁽³⁾ , EUR milliards	143	133	126
Capitaux Propres Economiques ⁽⁴⁾ , EUR milliards	25,0	26,3	26,7
Indicateurs Financiers Clés			
Rendement des capitaux propres ⁽⁵⁾ , %	12,2	12,3	9,5
Ratio coûts/revenus, hors éléments affectant la comparabilité, %	47	50	54
Rendement des Capitaux Propres à Risque, hors éléments affectant la comparabilité ⁽⁶⁾ , %	14,8	13,2	11,1
Action et Autres Données			
Cours de l'action ⁽⁴⁾ , EUR	10,15	10,60	10,09
Rendement total des actionnaires, %	8,2	16,3	3,6
Dividende proposé/effectivement versé par action, EUR	0,64	0,65	0,68
Capitaux propres par action ⁽⁴⁾ , EUR	7,69	8,03	8,21
Actions pouvant être émises ⁽⁴⁾ , en millions	4 050	4 050	4 050
Nombre moyen pondéré d'actions dilué, en millions	4 031	4 037	4 039
Nombre de salariés (équivalent temps plein (« ETP »)) ⁽⁴⁾	29 815	31 596	30 399

(1) Pour les définitions des ratios et autres termes clés, voir « —Définitions des Ratios Réglementaires Clés » et « —Définitions des Indicateurs Financiers Clés » ci-dessous.

(2) Dont les prêts et créances sur le public déclarés comme actifs destinés à la vente en 2016.

(3) Dont le résultat de l'exercice.

(4) A la fin de l'exercice.

(5) Le rendement des capitaux propres du Groupe Nordea, hors éléments affectant la comparabilité, était de 9,5 % en 2017, de 11,5 % en 2016 et de 12,3 % en 2015.

(6) Le Rendement des Capitaux Propres à Risque, hors éléments affectant la comparabilité, est retraité en 2016 en raison du changement de définition des Capitaux Propres Economiques moyens.

Définitions des Ratios Réglementaires Clés

Les définitions des termes et des ratios réglementaires clés utilisés dans la section « —Ratios Réglementaires Clés et Indicateurs Financiers Clés » ci-dessus sont présentées ci-dessous.

Ratio de pertes sur prêts, points de base Pertes nettes sur prêts (annualisées) divisées par le solde de clôture des prêts et créances sur le public.

Ratio de fonds propres de base de catégorie 1 Fonds propres de base de catégorie 1 en pourcentage du montant d'exposition au risque.

Ratio de fonds propres de catégorie 1 Fonds propres de catégorie 1 en pourcentage du montant d'exposition au risque.

Ratio du total des fonds propres..... Fonds propres en pourcentage du montant d'exposition au risque.

Fonds propres..... Les fonds propres sont définis à l'Article 72 du CRR (défini ci-dessous) et consistent en la somme des fonds propres de catégorie 1 et des fonds propres de catégorie 2.

Fonds propres de catégorie 1 Les fonds propres de catégorie 1 sont définis à l'Article 25 du CRR et consistent en la somme des fonds propres de base de catégorie 1 et des fonds propres additionnels de catégorie 1 de l'établissement. Les fonds propres de base de catégorie 1 sont définis à l'Article 50 du CRR et comprennent les capitaux propres consolidés excluant les investissements dans les compagnies d'assurance, le dividende proposé, les actifs d'impôts différés, les actifs incorporels des opérations bancaires, la déduction intégrale du déficit escompté (différence négative entre les pertes attendues et les provisions) et les autres déductions tels que les couvertures de flux de trésorerie.

Section B – Emetteur

Montant d'exposition au risque	Le montant d'exposition au risque est défini à l'Article 92.3 du CRR. Total des actifs et des éléments hors-bilan évalués sur la base des risques de crédit et de marché ainsi que des risques opérationnels liés aux engagements du Groupe Nordea, conformément à la réglementation en matière d'adéquation des fonds propres, hors actifs des compagnies d'assurance, valeur comptable des actions qui a été déduite des fonds propres et des immobilisations incorporelles.
Fonds propres économiques.....	Les fonds propres économiques sont le montant interne des capitaux propres afin de s'assurer qu'une entreprise reste solvable. L'approche comprend à la fois les fonds propres Pilier 1 et Pilier 2 fondée sur une évaluation de fiabilité à 99,9%.

Définitions des Indicateurs Financiers Clés

Les définitions des termes et des indicateurs financiers clés utilisés dans la section « —Ratios Réglementaires Clés et Indicateurs Financiers Clés » ci-dessus sont présentées ci-dessous.

Rendement des capitaux propres, % ...	Résultat net de l'exercice en pourcentage des capitaux propres moyens pour l'exercice. Les fonds propres additionnels de catégorie 1, comptabilisés en capitaux propres, sont considérés dans le calcul comme un passif financier. Le résultat net de l'exercice exclut les intérêts minoritaires et la charge d'intérêt sur fonds propres additionnels de catégorie 1 (les intérêts discrétionnaires courus). Les capitaux propres moyens comprennent le résultat net de l'exercice et le dividende jusqu'au versement, et excluent les intérêts minoritaires et la charge d'intérêt sur fonds propres additionnels de catégorie 1.
Ratio coûts/revenus, hors éléments affectant la comparabilité	Total des charges d'exploitation hors éléments affectant la comparabilité divisé par le total du résultat d'exploitation hors éléments affectant la comparabilité.
Rendement des Capitaux Propres à Risque, hors éléments affectant la comparabilité, %.....	Résultat net de l'exercice hors éléments affectant la comparabilité en pourcentage des fonds propres économiques.
Eléments affectant la comparabilité	Eléments significatifs qui interfèrent dans les comparaisons d'une année sur l'autre, tels que les profits significatifs sur la cession d'activités commerciales, les dépenses de restructuration, les modifications des accords de retraite.

Rapprochement de Certains Indicateurs Financiers Clés

Le tableau suivant présente la répartition des éléments affectant la comparabilité et le calcul du ratio d'exploitation hors éléments affectant la comparabilité pour les exercices clos les 31 décembre 2015, 2016 et 2017 :

	Pour l'exercice clos le 31 décembre		
	2015	2016	2017
	(millions d'euros, sauf indication contraire)		
Eléments affectant la comparabilité, avant impôt:			
Gains de la cession de l'activité d'affiliation de commerçants de Nordea à Nets Holding A/S.....	176	–	–
Gains liés à l'acquisition de Visa Europe Ltd. par Visa Inc.	–	173	–
Coûts de restructuration	(263)	–	–
Modification de l'accord sur les pensions en Norvège.....	–	86	–
Total des éléments affectant la comparabilité, avant impôt	(87)	259	–
Total des charges d'exploitation	(4 957)	(4 800)	(5 102)
Eléments affectant la comparabilité du total des charges d'exploitation	263	(86)	–
Total des charges d'exploitation excluant les éléments affectant la comparabilité.....	(4 694)	(4 886)	(5 102)
Total des produits d'exploitation	10 140	9 927	9 496
Eléments affectant la comparabilité du total des produits d'exploitation	(176)	(173)	–
Total des produits d'exploitation excluant les éléments affectant la comparabilité	9 964	9 754	9 496
Ratio du coût des revenus excluant les éléments affectant la comparabilité, %	47	50	54

Section B – Emetteur

Le tableau suivant présente le calcul du Rendement des Capitaux Propres à Risque, hors éléments affectant la comparabilité, tel que défini par Nordea pour les exercices clos les 31 décembre 2015, 2016 et 2017 :

	Pour l'exercice clos le 31 décembre		
	2015	2016	2017
	(millions d'euros, sauf indication contraire)		
Résultat net de l'exercice	3 662	3 766	3 048
Éléments affectant la comparabilité, nets d'impôts	29	(227)	–
Résultat net de l'exercice hors éléments affectant la comparabilité	<u>3 691</u>	<u>3 539</u>	<u>3 048</u>
Fonds Propres Economiques moyens	25 005	26 733	27 342
Rendement des Capitaux Propres à Risque, hors éléments affectant la comparabilité⁽¹⁾, % ..	14,8	13,2	11,1

(1) Le Rendement des Capitaux Propres à Risque, hors éléments affectant la comparabilité est retraité en 2016 en raison du changement de définition des Capitaux Propres Economiques moyens.

Section B – Emetteur

Elément	Intitulé	Information
B.8	Information financière pro forma clé sélectionnée	Sans objet. Ce Prospectus ne contient pas d'informations financières pro forma.
B.9	Prévision et estimation de bénéfice	Sans objet. Ce Prospectus ne contient pas de prévisions de bénéfices.
B.10	Réserves du rapport d'audit	Sans objet. Il n'y a aucune réserve dans les rapports d'audit sur les informations financières historiques.
B.11	Fonds de roulement	Sans objet. Nordea considère que le fonds de roulement du Groupe (c'est-à-dire, sa capacité à accéder à la trésorerie et aux autres sources de liquidité disponibles) est suffisant pour couvrir ses dettes à échéance de 12 mois après la date du présent Prospectus.

Section C – Les Titres

Elément	Intitulé	Information
C.1	Nature et catégorie des titres	Nordea Finland a une seule catégorie d'actions, qui a comme code ISIN : FI4000297767. Selon les statuts actuels de Nordea Finland et ses statuts suite à la réception de l'autorisation d'établissement de crédit, Nordea Finland ne peut émettre qu'une seule catégorie d'actions.
C.2	Devises	Euro.
C.3	Nombre d'actions émises/valeur nominale par action	À la date du présent Prospectus, le capital social de Nordea Finland s'élève à 5 000 000 euros, composé d'une action ordinaire. À l'issue de la Fusion, le capital social de Nordea Finland sera porté à 4 049 951 919 euros et le nombre d'actions sera augmenté à proportion de la Contrepartie. Nordea Finland a l'intention de procéder à une émission d'actions réservée à elle-même, avant la réalisation de la Fusion aux fins de la mise en œuvre d'un plan d'intéressement actionnarial. Le nombre d'actions propres à émettre dans le cadre de ladite émission correspondrait au nombre d'actions propres détenues par Nordea Sweden à la Date de Réalisation.
C.4	Droits attachés aux titres	<p>Général</p> <p>Nordea Finland est une société anonyme (<i>public limited liability company</i>) immatriculée en Finlande et soumise, notamment, à la loi finlandaise sur les sociétés (<i>osakeyhtiölaki (624/2006)</i>) (la « Loi Finlandaise sur les Sociétés »). Au moment de la réalisation de la Fusion, Nordea Finland sera une société anonyme bancaire et, à ce titre, sera soumise, notamment, à la loi Finlandaise relative aux Etablissements de Crédit et à la loi Finlandaise relative aux Banques Commerciales.</p>

Section C – Les Titres

Elément	Intitulé	Information
		<p>Selon les règles du Nasdaq d'Helsinki, tous les émetteurs d'actions admises à la négociation sur le marché réglementé du Nasdaq d'Helsinki doivent se conformer au Code de gouvernement d'entreprise finlandais (<i>Suomen listayhtiöiden hallinnointikoodi</i>) (le « Code de Gouvernement d'Entreprise Finlandais »). Par conséquent, après la réalisation de la Fusion et de l'Admission, Nordea Finland devra se conformer au Code de Gouvernement d'Entreprise Finlandais. Les recommandations du Code de Gouvernement d'Entreprise Finlandais sont complémentaires des dispositions légales et fonctionnent conformément au principe « <i>comply or explain</i> ». Par conséquent, une société peut s'écarter des recommandations spécifiques du Code de Gouvernement d'Entreprise Finlandais à condition qu'elle signale chaque écart et en explique les raisons. Étant donné que Nordea Finland doit se conformer au Code de Gouvernement d'Entreprise Finlandais, le Code de gouvernement d'entreprise suédois (<i>Svensk kod för bolagsstyrning</i>) (le « Code de Gouvernement d'Entreprise Suédois ») ne sera pas appliqué par Nordea Finland car l'application de deux codes distincts pourrait entraîner des exigences et conséquences contradictoires. Les pratiques de gouvernance d'entreprise de Nordea Finland ne devraient pas s'écarter de manière significative du Code de Gouvernement d'Entreprise Suédois.</p> <p>Les droits attachés aux actions Nordea Finland sont déterminés par la Loi Finlandaise sur les Sociétés et d'autres réglementations finlandaises applicables.</p> <p>Assemblées Générales</p> <p>Le principal organe de décision de Nordea Finland est l'assemblée générale, au cours de laquelle les actionnaires exercent leurs pouvoirs de décision.</p> <p>Dividendes et Autres Distributions</p> <p>Toutes les actions Nordea Finland donneront droit à leurs détenteurs à des droits égaux aux dividendes et autres fonds distribuables (y compris la distribution des actifs de Nordea Finland en cas de dissolution) suite à l'inscription des actions au Registre du commerce finlandais. Les dividendes et autres distributions sont versés aux actionnaires ou à leurs représentants inscrits sur le registre des actionnaires en fonction de leur date d'inscription. Le droit aux dividendes expire dans les trois ans suivant la date de versement du dividende.</p> <p>Conformément à la pratique en vigueur en Finlande, les dividendes sur les actions d'une société à responsabilité limitée (<i>limited liability company</i>) de droit finlandais, le cas échéant, sont généralement déclarés une fois par an. Les dividendes peuvent être versés et le capital non affecté peut être distribué, par ailleurs, lors d'un exercice spécifique après que l'assemblée générale des actionnaires ait approuvé les états financiers de la société pour cet exercice et décidé le montant du dividende ou d'autre distribution de capital non affecté proposés par le Conseil d'administration de la société. En outre, en vertu de la loi finlandaise, l'assemblée générale peut autoriser le Conseil d'administration à procéder à la distribution de dividendes en déterminant un montant maximal d'actifs à distribuer.</p> <p>Le montant de tout dividende ou de toute autre distribution de capital non affecté est limité au montant des fonds distribuables de la société mentionnés dans les états financiers sur lesquels la décision de verser des dividendes ou alors de distribuer du capital non affecté est basée, sous réserve de tout changement significatif dans la situation financière de la société depuis l'approbation des états financiers. En Finlande, les actifs ne peuvent être distribués s'il est avéré ou s'il devait être avéré, au moment de la décision de distribution, que la société est insolvable ou que la distribution entraînera l'insolvabilité de la société.</p> <p>Selon la loi finlandaise, au moins la moitié des bénéfices d'un exercice doit être distribuée sous forme de dividende si une demande à cet effet est faite à</p>

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Elément	Intitulé	Information
		<p>l'Assemblée Générale Annuelle par des actionnaires représentant au moins 10 % du capital. Selon la loi finlandaise, ce dividende doit être réduit du montant de toute distribution de dividendes ayant eu lieu avant l'Assemblée Générale Annuelle et conformément à toute disposition statutaire de la société. En outre, les bénéfices dépassant le montant qui peut être légalement distribué sans le consentement des créanciers de la société, ou au-delà de 8% du capital social de la société, ne peuvent pas être distribués. De plus, conformément à la Loi Finlandaise sur les Etablissements de Crédit, si le montant des fonds propres ou des fonds propres consolidés d'un établissement de crédit est inférieur à l'exigence de capital requise par le règlement (UE) n°575/2013 du Parlement européen et du Conseil du 26 juin 2013 concernant les exigences prudentielles applicables aux établissements de crédit et aux entreprises d'investissement et modifiant le règlement (UE) n°648/2012 (le « CRR ») ou par la Loi Finlandaise sur les Etablissements de Crédit, un établissement de crédit, tel que Nordea Finland, ne peut pas distribuer de dividendes à moins que l'autorité finlandaise de surveillance financière (la <i>Financial Supervisory Authority</i>) ne lui accorde, pour une raison particulière, une exemption pour une période déterminée.</p>
C.5	Restriction à la négociabilité	<p>Il n'existe aucune restriction en vertu de la loi finlandaise ou des statuts de Nordea Finland concernant le droit de transférer des actions Nordea Finland, et Nordea Finland n'a connaissance d'aucun accord entre actionnaires à cet égard. Cependant, puisque Nordea Finland deviendra un établissement de crédit après réception de l'autorisation d'établissement de crédit par la BCE, une acquisition directe ou indirecte d'actions Nordea Finland entraînant la constitution d'une participation qualifiée (soit 10 % ou plus du capital social ou des droits de vote, ou une participation permettant à l'acquéreur d'exercer une influence significative sur la gestion de Nordea Finland) ne pourra avoir lieu qu'après approbation par la BCE. L'approbation de la BCE sera également requise si la participation atteint ou dépasse 20 %, 30 % ou 50 % du capital social ou des droits de vote.</p>
C.6	Cotation/admission à la négociation	<p>Les actions Nordea Sweden sont cotées sur le Nasdaq Nordic, les marchés réglementés de Stockholm (en couronne suédoise), d'Helsinki (sous l'entité Nordea Sweden FDR avec un cours indiqué en euro) et de Copenhague (en couronne danoise).</p> <p>Le Nasdaq d'Helsinki, le Nasdaq de Stockholm et le Nasdaq de Copenhague ont, sous réserve de certaines conditions, approuvé l'admission des actions Nordea Finland à la négociation sur leurs marchés réglementés à compter de la Date de Réalisation. Simultanément, les actions Nordea Sweden seront radiées de la cotation du Nasdaq de Stockholm et du Nasdaq de Copenhague et les actions Nordea Sweden FDR seront radiées de la cotation du Nasdaq d'Helsinki. L'admission à la négociation des actions Nordea Finland sur les marchés réglementés du Nasdaq d'Helsinki, du Nasdaq de Stockholm et du Nasdaq de Copenhague devraient débiter à la Date de Réalisation.</p>
C.7	Politique de distribution de dividendes	<p>Conformément à sa politique de distribution de dividendes, le Groupe Nordea s'efforce de maintenir une position de capital solide en ligne avec sa politique de capital dont l'ambition est de réaliser une augmentation annuelle du dividende par action. L'intention actuelle est de maintenir cette politique pour la société mère du Groupe Nordea indépendamment de la re-domiciliation et de la Fusion envisagées.</p> <p>Nonobstant toute politique de distribution de dividendes adoptée par Nordea Finland, Nordea Finland évaluera annuellement les conditions préalables au versement de dividendes ou d'autres distributions de capital non affecté, ce qui pourrait entraîner un écart par rapport à la politique de distribution de dividendes, et notamment la décision de ne pas distribuer de dividendes. Le montant de tout dividende versé par Nordea Finland au cours d'un exercice donné est donc incertain. En outre, tout versement de dividendes ou d'autres distributions de capital non affecté par Nordea Finland au titre d'exercices</p>

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Elément	Intitulé	Information
		antérieurs ne constitue pas une indication des dividendes pouvant être, le cas échéant, versés au titre des exercices futurs.

Section D – Risques

Elément	Intitulé	Information
D.1	Principaux risques propres à l'émetteur ou son activité	<i>Les activités opérationnelles du Groupe Nordea, y compris sur ses marchés domestiques scandinaves, ne changeront pas à la suite de la re-domiciliation. Hormis lorsque des références sont faites à la Fusion et / ou aux transactions envisagées en relation avec celle-ci ou hormis s'il ressort clairement du contexte que les références visent d'autres éléments, les facteurs de risque ci-dessous reflètent les activités du Groupe Nordea avant et après la réalisation de la Fusion.</i>

Risques relatifs à la Fusion

Risques relatifs à la Fusion :

- il existe des risques et des incertitudes associés à la re-domiciliation et à la Fusion envisagées, et un échec ou un retard dans la réalisation de la Fusion pourrait avoir un impact négatif sur les activités, les résultats et la situation financière du Groupe Nordea ;
- un échec ou un retard dans la réalisation du processus de rémediation lié à la re-domiciliation et à la Fusion pourrait retarder sa réalisation ou conduire à l'échec de la Fusion et affecter négativement les activités, les résultats et la situation financière du Groupe Nordea ;
- Nordea pourrait ne pas être en mesure de réaliser les économies qu'elle espère générer grâce à la re-domiciliation et à la Fusion ; et
- il existe une incertitude quant au traitement fiscal de la Fusion dans certaines juridictions et les autorités fiscales locales pourraient contester la neutralité fiscale de la Fusion.

Risques liés aux activités du Groupe Nordea

Risques liés à l'environnement juridique et réglementaire dans lequel évolue le Groupe Nordea :

- le Groupe Nordea est soumis à une réglementation stricte susceptible d'être modifié ;
- le Groupe Nordea peut se voir contraint d'engager des dépenses importantes aux fins du suivi et du respect des nouvelles exigences en matière de fonds propres, de rétablissement et de résolution ;
- CRD IV introduit des exigences de fonds propres qui s'ajoutent au ratio de fonds propres minimums ;
- les évolutions réglementaires récentes peuvent affecter les besoins de financement et la position du capital du Groupe Nordea ;
- à l'issue de la Fusion, la supervision du Groupe Nordea sera transférée à la BCE et le Groupe Nordea sera soumis au Mécanisme Européen de Surveillance Unique et au Mécanisme Européen de Résolution Unique ;
- le risque de liquidité est inhérent aux activités du Groupe Nordea ;
- la performance de l'activité du Groupe Nordea pourrait être affectée si ses ratios de fonds propres sont réduits ou perçus comme insuffisants ;

Section D – Risques

Elément	Intitulé	Information
		<ul style="list-style-type: none"> • des recours juridiques et réglementaires affectent la conduite des affaires du Groupe Nordea ; • le Groupe Nordea est exposé au risque de modification de la législation fiscale, y compris l'augmentation des taux d'imposition ; • les modifications apportées aux méthodes comptables du Groupe Nordea ou aux standards comptables pourraient avoir une incidence importante sur la manière dont il rend compte de sa situation financière et de ses résultats d'exploitation ; et • les coûts de financement du Groupe Nordea et son accès aux marchés des titres d'emprunt dépendent en grande partie de ses notes de crédit.
		<p>Risques liés aux conditions macroéconomiques :</p> <ul style="list-style-type: none"> • les évolutions négatives de la situation économique et des conditions de marchés sur lesquels le Groupe Nordea opère peuvent avoir un impact défavorable significatif sur l'activité et le résultat du Groupe Nordea ; et • les perturbations et la volatilité sur les marchés financiers mondiaux peuvent avoir un impact négatif sur le Groupe Nordea.
		<p>Risques liés au portefeuille de crédits du Groupe Nordea :</p> <ul style="list-style-type: none"> • une dégradation de la qualité de crédit des contreparties pourrait avoir un impact négatif sur la situation financière du Groupe Nordea ; et • le Groupe Nordea est exposé au risque de contrepartie.
		<p>Risques liés à l'exposition au marché :</p> <ul style="list-style-type: none"> • Le Groupe Nordea est exposé à un risque de cours ; et • Le Groupe Nordea est exposé à un risque structurel de marché.
		<p>Autres risques liés à l'activité du Groupe Nordea :</p> <ul style="list-style-type: none"> • les risques opérationnels, y compris les risques liés au conseil en investissement, peuvent affecter les activités du Groupe Nordea ; • les activités du Groupe Nordea en dehors des marchés scandinaves, en particulier en Russie, présentent divers risques qui ne s'appliquent pas, ou dans une moindre mesure, à ses activités sur les marchés scandinaves ; • la rentabilité de l'activité et des services de retraite et assurance-vie du Groupe Nordea dépend de la réglementation et des normes dans les pays où il opère ; • le Groupe Nordea pourrait échouer à attirer ou retenir son équipe de direction ou d'autres employés clés ; • le Groupe Nordea est confronté à la concurrence sur tous ses marchés ; et • le Groupe Nordea pourrait ne pas réussir à mettre en œuvre sa stratégie.
D.3	Principaux risques liés aux titres	<p>Risques liés aux actions Nordea Finland :</p> <ul style="list-style-type: none"> • la capacité de Nordea Finland à verser des dividendes ou à procéder à d'autres distributions de capital non affecté conformément ou différemment à sa politique de distribution de dividendes dépend de la

Section D – Risques

Elément	Intitulé	Information
		<p>disponibilité de fonds distribuables et Nordea Finland pourrait ne pas être en mesure de ou décider de ne pas verser de dividendes ou de procéder à d'autres distributions de capital non affecté à l'avenir ;</p> <ul style="list-style-type: none"> ● d'éventuelles modifications du régime de retenue à la source finlandais pourraient augmenter le taux de retenue à la source des actionnaires nominatifs non identifiés ; ● la réception de la Contrepartie par les actionnaires de Nordea Sweden pourrait être un événement imposable dans certaines juridictions et les actionnaires de Nordea Sweden sont invités à consulter des conseillers fiscaux professionnels s'agissant des implications fiscales pouvant découler de la Fusion ; ● les intérêts de certains actionnaires importants de Nordea Finland peuvent différer des intérêts d'autres actionnaires ; ● des émissions futures ou des ventes d'un nombre significatif d'actions Nordea Finland pourraient avoir un effet négatif sur le cours des actions Nordea Finland et de futures émissions d'actions par Nordea Finland pourraient diluer la participation des actionnaires existants ; ● certains actionnaires étrangers pourraient ne pas être en mesure d'exercer leur droit préférentiel de souscription prévu par la Loi Finlandaise sur les Sociétés ou d'autres droits d'actionnaires ; ● le cours des actions Nordea Finland pourrait fluctuer considérablement ; ● la réalisation des transactions relatives aux actions Nordea Finland dépend des processus, des systèmes et de la coopération d'Euroclear Finland Ltd, d'Euroclear Sweden AB et de VP Securities A/S ; et ● les investisseurs ayant une devise de référence autre que l'euro s'exposeront à certains risques de change lorsqu'ils investiront dans les actions Nordea Finland.

Section E – Offre

Elément	Intitulé	Information
E.1	Produit net/estimation des frais	Nordea Finland ne recevra aucun produit de la Fusion. Les coûts totaux attendus engagés par Nordea dans le cadre de la re-domiciliation et de la Fusion comprennent principalement : le financement des coûts de mise en œuvre et des coûts de projet, notamment en matière informatique (« IT »), les frais juridiques et de conseil mais excluant les frais de personnel, et devraient s'élever à environ 100 millions d'euros avant impôts (non actualisé), dont 11 millions d'euros ont été engagés au 31 décembre 2017.
E.2a	Raisons de l'offre/utilisation des produits/montant net estimé des produits	<p>Au cours du premier trimestre 2017, Nordea a entamé une revue des options afin de répondre à l'impact du cadre réglementaire suédois sur le Groupe Nordea, notamment sa divergence par rapport au cadre réglementaire de l'union bancaire de l'UE. Les options envisagées comprenaient, notamment, le déménagement du siège social du Groupe Nordea de Suède.</p> <p>Le 6 septembre 2017, à l'issue de cette revue, le Conseil d'administration de Nordea Sweden a décidé d'initier une re-domiciliation de la société mère du Groupe Nordea de la Suède vers la Finlande, qui participe à l'union bancaire au sein de l'UE. Cette décision repose sur la structure scandinave et internationale unique du Groupe Nordea, pour laquelle les cadres réglementaires nationaux existants ne satisfont pas pleinement le modèle d'exploitation et les récents développements stratégiques. Nordea Sweden considère que la domiciliation de</p>

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Elément	Intitulé	Information
		<p>la société mère du Groupe Nordea dans un pays participant à l'union bancaire de l'UE permettra au Groupe Nordea d'être soumis à un cadre réglementaire similaire à celui de ses homologues européens, avec une plus grande cohérence dans l'application des lois et règlements et, par conséquent, des règles plus équitables. Nordea Sweden s'attend à ce que cela promeuve les intérêts de ses clients, actionnaires et employés. Les activités opérationnelles du Groupe Nordea, y compris sur ses marchés domestiques scandinaves, ne seront pas modifiées du fait de la re-domiciliation, et aucun changement dans les activités opérationnelles n'est attendu pour les clients.</p> <p>Nordea Sweden s'attend à ce que le montant total net des économies liées aux frais de résolution, aux garanties des dépôts et aux autres effets transitoires dus à la re-domiciliation en Finlande s'élève à environ 0,9–1,2 milliard d'euros. 0–90 millions d'euros des économies totales devraient être réalisées entre 2017 et 2019 et 900–1 070 millions d'euros après 2019. Les frais de résolution et les commissions des garanties des dépôts payables en 2018 devraient augmenter d'environ 60–130 millions d'euros par rapport à 2017. Pour 2019, ces commissions devraient varier entre 10 millions d'euros, au plus bas, et 60 millions d'euros, au plus haut, par rapport à 2017.</p> <p><i>Les paragraphes ci-dessus présentent les attentes de Nordea Sweden en matière de valeur nette des économies liées aux frais de résolution, aux garanties des dépôts et aux autres effets transitoires découlant de la re-domiciliation de Nordea Sweden en Finlande. Nordea Sweden a calculé cet impact en actualisant les flux futurs, après impôts, du changement de domicile sur la base des informations dont il dispose à la date du présent Prospectus. Les calculs ont été réalisés en prenant en compte les lois et réglementations en vigueur et l'hypothèse d'une re-domiciliation et Fusion réalisées en neutralité fiscale par voie d'une fusion transfrontalière inversée par voie d'absorption dans les délais actuellement envisagés, c'est-à-dire au 1^{er} octobre 2018.</i></p> <p><i>Ces estimations sont susceptibles de changer et reposent sur un certain nombre d'hypothèses et de jugements concernant, notamment, le niveau des frais de résolution et de garanties des dépôts et les effets transitoires dus à la re-domiciliation, et ont été préparées sur la base des estimations actuelles de Nordea Sweden en matière d'évolution du contexte commercial, réglementaire et économique. Ces estimations ne prennent pas compte d'événements imprévus pouvant résulter, notamment, de changements dans le cadre réglementaire, y compris les exigences de fonds propres applicables, auxquels le Groupe Nordea sera soumis.</i></p>
E.3	Modalités et Conditions de l'offre	<p>Le 25 octobre 2017, les Conseils d'administration de Nordea Sweden et de Nordea Finland ont signé le Plan de Fusion, qui définit les termes et conditions et les procédures liées à la Fusion. Conformément au Plan de Fusion, les Conseils d'administration de Nordea Sweden et de Nordea Finland proposent que Nordea Sweden soit fusionnée dans Nordea Finland par le biais de la Fusion, qui serait réalisée par voie d'une fusion transfrontalière inversée par voie d'absorption conformément aux dispositions du Chapitre 16, Articles 19 à 28 de la Loi Finlandaise sur les Sociétés et, le cas échéant, du Chapitre 2 de la Loi Finlandaise sur les Banques Commerciales, ainsi que du Chapitre 23, Section 36 (de la Loi Suédoise sur les Sociétés (<i>aktiebolagslag (2005: 551)</i>)) (la « Loi Suédoise sur les Sociétés ») et du Chapitre 10, Sections 18–25 b de la Loi suédoise sur les activités bancaires et financières (<i>lag (2004: 297) om bank- och finansieringsrörelse</i>) (la « Loi Suédoise sur les Activités Bancaires et Financières »). Nordea Sweden se dissoudra automatiquement à la Date de Réalisation à la suite de la Fusion.</p> <p>Les actionnaires de Nordea Sweden recevront en tant que Contrepartie une action nouvelle Nordea Finland pour chaque action Nordea Sweden qu'ils détiennent à la Date de Réalisation ; la Contrepartie sera ainsi distribuée aux actionnaires de Nordea Sweden proportionnellement à leur détention actuelle</p>

Section E – Offre

Elément	Intitulé	Information
		<p>selon un rapport d'échange de 1: 1. Le rapport d'échange a été déterminé en prenant en compte le fait que Nordea Finland est une filiale à 100 % de Nordea Sweden sans aucune activité propre, ce qui signifie que la valeur de toutes les actions Nordea Finland après la Fusion reflète la valeur de toutes les actions Nordea Sweden. Le capital social de Nordea Finland sera porté de 5 000 000 euros à 4 049 951 919 euros, ce qui correspond au capital social de Nordea Sweden.</p> <p>Le Conseil d'administration de Nordea Sweden présentera le Plan de Fusion aux actionnaires de Nordea Sweden, pour approbation, lors de l'Assemblée Générale Annuelle prévue le 15 mars 2018 ; statuant à une majorité des deux tiers des actions et des votes exprimés lors de l'assemblée générale. Dans le cas où l'Assemblée Générale Annuelle n'approuverait pas le Plan de Fusion, la Fusion deviendra caduque. En outre, l'approbation de l'assemblée générale de Nordea Sweden, la réalisation de la Fusion est soumise, notamment, à l'obtention des autorisations réglementaires et des approbations internes nécessaires. Le Conseil d'administration de Nordea Sweden recommande que l'Assemblée Générale Annuelle de Nordea Sweden approuve le Plan de Fusion. Les autorisations réglementaires requises pour la réalisation de la Fusion comprennent, notamment, l'autorisation de l'autorité suédoise de surveillance financière (la « SFSA ») qui, dans le cadre du processus d'autorisation, déterminera si les créanciers de Nordea sont suffisamment protégés dès lors que cette protection est requise, en tenant compte de la situation financière de Nordea Sweden et de Nordea Finland et des intérêts des déposants et autres créanciers de Nordea Sweden. En outre, la SFSA peut refuser la demande lorsque ce refus est justifié par l'intérêt général.</p> <p>Sous réserve que les conditions de réalisation de la Fusion soient remplies, la Fusion sera achevée à la Date de Réalisation, c'est-à-dire dès lors qu'elle aura été enregistrée au Registre du commerce finlandais ; l'enregistrement étant prévu pour le second semestre 2018, en principe le 1^{er} octobre 2018. Dans le même temps, les actionnaires de Nordea Sweden deviendront actionnaires de Nordea Finland. Nordea Sweden se dissoudra automatiquement à la Date de Réalisation à la suite de la Fusion. À des fins comptables et juridiques, les droits et obligations de Nordea Sweden ainsi que ses actifs et passifs seront, de plein droit, transférés à Nordea Finland à la Date de Réalisation par voie de transmission universelle conformément au droit des sociétés finlandais et suédois et les opérations de Nordea Sweden seront traitées comme étant celles de Nordea Finland. Nordea Finland changera son nom en Nordea Bank Abp au plus tard à la Date de Réalisation. Les noms commerciaux, dénominations sociales et autres noms des succursales de Nordea Sweden seront transférés à Nordea Finland dans le cadre de la Fusion. Toutefois, à l'issue de la Fusion, les noms des nouvelles succursales de Nordea Finland en Suède et, notamment, au Danemark et en Norvège, ainsi qu'en Estonie, en Chine, en Pologne, à Singapour, au Royaume-Uni, en Allemagne et aux États-Unis (ensemble, les « Juridictions Concernées ») seront mises à jour pour prendre en compte la nouvelle société mère du Groupe Nordea.</p> <p>En droit suédois, les actionnaires d'une société absorbante n'ont pas le droit d'exiger lors de l'assemblée générale statuant sur la fusion que leurs actions soient rachetées. Par conséquent, contrairement à la loi finlandaise, les actionnaires de Nordea Sweden qui s'opposent à la Fusion n'auront pas le droit d'exiger lors de l'assemblée générale de Nordea Sweden que leurs actions soient rachetées. Les actionnaires de Nordea Sweden qui ne souhaitent pas recevoir d'actions Nordea Finland comme Contrepartie doivent céder leurs actions Nordea Sweden au plus tard le 28 septembre 2018.</p> <p>Si le Plan de Fusion est approuvé par l'Assemblée Générale Annuelle de Nordea Sweden, les actionnaires de Nordea Sweden qui souhaitent rester actionnaires de Nordea Finland après la Fusion n'auront pas besoin d'effectuer de démarches dans le cadre de la Fusion.</p>

Section E – Offre

Élément	Intitulé	Information
E.4	Conflit d'intérêts	Sans objet.
E.5	Nom de la personne ou de l'entité offrant de vendre le titre	Sans objet.
	Engagements de conservation	Sans objet.
E.6	Dilution	Sans objet.
E.7	Estimation des frais	Sans objet. Il n'est pas prévu que Nordea Finland facture des frais aux investisseurs dans le cadre de la Fusion.

RESUMEN EN ESPAÑOL

Los resúmenes están constituidos por los requisitos de información denominados 'Elementos'. Dichos Elementos se enumeran en las Secciones A–E (A.1–E.7).

El presente resumen contiene todos los Elementos que se deben incluir en un resumen para este tipo de valores y emisor. Dado que no es necesario abordar algunos Elementos, puede haber omisiones en la secuencia numérica de los mismos.

Aun cuando pueda resultar preceptivo incluir un Elemento en el resumen por razón del tipo de valores y del emisor, es posible que no haya información relevante que consignar acerca de ese Elemento. En tal caso, se incluye en el resumen una breve descripción del Elemento con la mención 'no aplicable'.

Sección A – Introducción y Advertencias

Elemento	Requerimiento de información	Información
A.1	Introducción	<i>El presente resumen debe leerse como introducción al Folleto. Toda decisión de invertir en los valores de Nordea Finlandia deberá estar basada en la consideración del Folleto en su conjunto por parte del inversor. Ante una eventual demanda relativa a la información contenida en el Folleto que se presente en un tribunal, es posible que el inversor demandante deba, con arreglo a la legislación nacional de los estados miembros del Área Económica Europea, soportar el coste de la traducción del Folleto informativo antes de iniciar el procedimiento. Sólo se exigirá responsabilidad civil a aquellas personas que hayan presentado el presente resumen, lo que incluye cualquier traducción del mismo, pero sólo en el caso de que el resumen induzca a error, contenga inexactitudes o discrepancias con otras partes del Folleto o no ofrezca, en su lectura conjunta con las demás partes del Folleto informativo, información esencial para ayudar a los inversores a tomar la decisión de invertir o no en los valores de Nordea Finlandia.</i>
A.2	Consentimiento para la venta posterior/ colocación final de valores / periodo de oferta / condiciones del consentimiento	No aplicable.

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Elemento	Requerimiento de información	Información
B.1	Denominación social y nombre comercial	<p>A la fecha de este Folleto, Nordea Bank AB (publ) (<i>i.e.</i>, Nordea Suecia) es la sociedad matriz del Grupo Nordea. El 6 de septiembre de 2017, el consejo de administración de Nordea Suecia decidió trasladar el domicilio social de la matriz del Grupo Nordea de Suecia a Finlandia, un estado miembro de la unión bancaria de la Unión Europea (la "UE"). Con ello, Nordea Suecia espera promover los intereses de sus clientes, accionistas y empleados. Para obtener información sobre las razones de la decisión de traslado del domicilio social y los beneficios esperados del mismo, véase la Sección E.2a.</p> <p>Se propone que el traslado del domicilio social se lleve a cabo a través de la Fusión, es decir, una fusión transfronteriza por absorción inversa en la que Nordea Suecia, actual matriz del Grupo Nordea, será absorbida por Nordea Holding Abp (Nordea Holding Oyj en finlandés), una filial finlandesa de nueva constitución, filial de Nordea Suecia. Nordea Finlandia cambiará su denominación a Nordea Bank Abp no más tarde de la Fecha de Cierre. Una vez completada la Fusión, la sociedad matriz será Nordea Bank Abp (<i>i.e.</i>, Nordea Finlandia).</p> <p>La consecución de la Fusión está sujeta a, entre otras condiciones: la aprobación del Proyecto de Fusión por la Junta General de Accionistas de Nordea Suecia; la</p>

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Elemento	Requerimiento de información	Información
		<p>obtención de todas las autorizaciones, consentimientos y demás decisiones de las autoridades competentes, incluyendo sin limitación que Nordea Finlandia haya obtenido del BCE la licencia para realizar actividades bancarias, servicios de inversión y actividades de inversión; que se hayan admitido a cotización en los mercados regulados del Nasdaq de Estocolmo, Nasdaq de Helsinki y Nasdaq de Copenhague las acciones de Nordea Finlandia para cuando se emita la Contraprestación de la Fusión; que la Fusión no se prohíba o, en opinión del consejo de administración de Nordea Suecia y Nordea Finlandia, se vea obstaculizada; y que la Fusión se haya inscrito en el Registro Mercantil finlandés. Se prevé que la consecución de la Fusión se inscriba en el Registro Mercantil finlandés durante la segunda mitad de 2018, siendo la fecha provisional el 1 de octubre de 2018. Nordea Suecia se disolverá automáticamente tras la Fecha de Cierre como resultado de la Fusión.</p>
B.2	Domicilio / forma jurídica / legislación / país de constitución	<p>Nordea Suecia es una sociedad bancaria de responsabilidad limitada (en inglés: <i>public limited liability banking company</i>), inscrita bajo ley sueca y domiciliada en Suecia.</p> <p>Nordea Finlandia es una sociedad de responsabilidad limitada (en inglés: <i>public limited liability company</i>) constituida de conformidad con la legislación finlandesa y domiciliada en Finlandia. Cuando se consume la Fusión, Nordea Finlandia será una sociedad bancaria de responsabilidad limitada (en inglés: <i>public limited liability banking company</i>), y como tal, estará sujeta, entre otras, a la ley finlandesa de entidades de crédito ((en finlandés: <i>laki luottolaitostoinnasta (610/2014)</i>) (la “Ley Finlandesa de Entidades de Crédito”) y a la ley finlandesa de banca comercial (en finlandés: <i>laki liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista (1501/2001)</i>) (la “Ley Finlandesa de Banca Comercial”).</p>
B.3	Operaciones ordinarias y actividades principales	<p>Las operaciones comerciales ordinarias del Grupo Nordea, incluyendo aquellas en el mercado doméstico nórdico, no cambiarán con el traslado de su domicilio social. Tampoco se esperan cambios en las operaciones comerciales ordinarias desde la perspectiva de los clientes.</p> <p>El Grupo Nordea es el mayor grupo de servicios financieros de los mercados nórdicos (Dinamarca, Finlandia, Noruega y Suecia) en términos de ingresos totales, con operaciones adicionales en Rusia y Luxemburgo, así como sucursales en otros países. El Grupo Nordea opera también en Estonia, Letonia y Lituania a través de Luminor, un banco báltico propiedad de Nordea y DNB ASA (“DNB”) que comprende a los clientes del Grupo Nordea y de DNB en los tres mercados. Nordea considera que el Grupo tiene la mayor base de clientes en comparación con cualquier otro grupo de servicios financieros con sede en los mercados nórdicos, con más de 10 millones de clientes en el conjunto de los mercados en los que opera, incluyendo aproximadamente 9,6 millones de clientes particulares y aproximadamente 0,6 millones de clientes que son empresas e instituciones, a 31 de diciembre de 2017. En dicha fecha, el Grupo Nordea tenía activos totales por 581,6 miles de millones de euros y un capital <i>tier 1</i> de 28,0 miles de millones de euros, y era el mayor gestor de activos con sede en los países nórdicos, con 330,4 miles de millones de euros en activos bajo gestión.</p> <p>Como banco universal, el Grupo Nordea ofrece una amplia gama de productos y servicios bancarios y financieros para hogares y empresas, incluidas las instituciones financieras. Entre los productos y servicios que el Grupo Nordea ofrece, se encuentra una amplia gama de servicios bancarios para hogares, que incluyen hipotecas y préstamos al consumo, tarjetas de crédito y débito, así como una extensa selección de productos de ahorro, seguros de vida y pensiones. Además, el Grupo Nordea ofrece una amplia gama de servicios de banca corporativa, incluyendo préstamos comerciales, gestión de efectivo, servicios de pago y cuenta, productos de gestión de riesgos y servicios de</p>

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Elemento	Requerimiento de información	Información
		<p>asesoramiento, instrumentos de deuda y de capital para la obtención de liquidez o captación de capital, así como servicios de finanzas corporativas, servicios institucionales de gestión de activos y seguros de vida y pensiones. El Grupo Nordea también comercializa productos de seguros. Con aproximadamente 500 sucursales, <i>call centers</i> en cada uno de los mercados nórdicos y una banca online muy competitiva, el Grupo Nordea cuenta además con la mayor red de distribución para clientes en los mercados nórdicos.</p> <p>La ambición y visión del Grupo Nordea ha sido siempre la de operar como “Un Nordea” (en inglés: “<i>One Nordea</i>”) en todo el territorio nórdico. Para conseguirlo, el Grupo Nordea presentó en 2015 un plan estratégico de transformación, que incluía, entre otras, inversiones significativas en tecnología con el fin de tener un mismo sistema para todos los productos bancarios principales. El Grupo Nordea continuará evolucionando para convertirse en “Un Nordea” y ofrecer un modelo de futuro para la banca de relación mediante el fortalecimiento de su cultura corporativa unido a una implementación consecuente centrada en cuatro áreas principales: una visión clara del cliente; un mismo modelo de trabajo; la simplificación de los sistemas comunes; y unos valores comunes. En línea con estos objetivos, las prioridades estratégicas del Grupo Nordea incluyen el fortalecimiento de su naturaleza como organización centrada en el cliente, la transformación de la digitalización y la distribución, la simplificación, la confianza y la responsabilidad.</p>
B.4a	Tendencias recientes más significativas que afectan al emisor y a su industria	<p>Los resultados del Grupo Nordea están influenciados de manera significativa, y seguirán estándolo tras el traslado de domicilio y la Fusión, por las condiciones económicas generales en los países en los que opera, en particular, los mercados nórdicos (Dinamarca, Finlandia, Noruega y Suecia). También se verán afectados, aunque en menor grado, por las condiciones económicas en Rusia y, mediante la participación de Nordea en Luminor, un banco báltico propiedad de Nordea y DNB que comprende a los clientes del Grupo Nordea y de DNB de Estonia, Letonia y Lituania, en los países bálticos. En los últimos años, las condiciones económicas en la región nórdica han sido, en general, más positivas que en el resto de Europa, favoreciéndose de una sólida gestión pública. No obstante, se han producido diferencias entre los distintos países de la región. En 2015 la economía sueca creció por encima del 3 por ciento. En Dinamarca, la economía experimentó un crecimiento firme a principios del año 2015, mientras que en la segunda mitad de ese mismo año el crecimiento se ralentizó. La economía noruega creció en la primera mitad de 2015 pero acabó sufriendo el impacto del deterioro acelerado de los precios del crudo de finales de ese año. La economía finlandesa, por su lado, mantuvo un crecimiento más débil en 2015, con un crecimiento fluctuando entre figuras positivas y negativas a lo largo del año. En 2016 el desarrollo de las economías nórdicas se caracterizó por sus diferencias. En Suecia la situación se mantuvo con un crecimiento positivo por encima del 3 por ciento. En Dinamarca, la economía inicialmente creció de manera sostenida pero se estancó en cierto modo durante la segunda mitad de 2016. Aun así, el crecimiento anual fue positivo, manteniendo la tendencia positiva. En 2016, el crecimiento de la economía noruega se mantuvo positivo pero terminó por verse afectada por el deterioro en el precio del crudo. A pesar de que la economía finlandesa creció en 2016, el carácter de tal crecimiento fue débil, alternando trimestres positivos y negativos. En 2017, la economía global experimentó un crecimiento acelerado, con un crecimiento moderado de la inflación y una baja volatilidad en los mercados financieros. A pesar del acaecimiento de ciertos preocupantes acontecimientos geopolíticos ese año, en 2017 el precio de los activos globales creció firmemente y la volatilidad en los mercados financieros fue extremadamente baja. El apoyo de los bancos centrales se mantuvo firme. La economía estadounidense se expandió a un ritmo robusto y su banco central siguió con su política de normalización de los tipos de interés. La economía europea se expandió a su mayor ritmo desde 2011, sostenida por los bajos tipos de interés, descenso del desempleo y una fuerte demanda interior. Las preocupaciones sobre el crecimiento de los mercados</p>

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Elemento	Requerimiento de información	Información
		<p>emergentes continuaron disipándose con la subida de la actividad comercial y del precio de las materias primas. En 2017, las economías nórdicas crecieron de manera sincronizada por primera vez en muchos años. En Suecia, el panorama económico se mantuvo firme con un crecimiento por encima del 2,5 por ciento, mientras que la economía danesa creció un 2 por ciento, a pesar de experimentar un crecimiento negativo en el tercer trimestre por circunstancias coyunturales. La economía noruega también creció, apoyada en una recuperación de los precios del crudo y un bajo nivel de desempleo. En Finlandia, la economía se expandió por encima del 3 por ciento impulsada por una fuerte demanda interior y un crecimiento de las exportaciones. En los últimos años, la economía rusa ha sufrido un impacto negativo por las crisis de las regiones de Crimea y del este de Ucrania.</p>
B.5	Estructura del Grupo	El Grupo Nordea está formado por la sociedad matriz Nordea Suecia y sus filiales consolidadas. Tras la Fusión, la sociedad matriz del Grupo Nordea será Nordea Finlandia.
B.6	Accionistas principales	<p>Los accionistas de Nordea Suecia recibirán como contraprestación una acción de nueva emisión de Nordea Finlandia por cada acción de Nordea Suecia que posean en la Fecha de Cierre de la Fusión (<i>i.e.</i>, la Contraprestación de la Fusión), es decir, que la Contraprestación de la Fusión se entregará a los accionistas de Nordea Suecia en proporción a su participación accionarial existente en ese momento, con un tipo de canje de 1 a 1. Por lo tanto, inmediatamente después de que se haya completado de la Fusión, la base accionarial de Nordea Finlandia será idéntica a la que tenía Nordea Suecia inmediatamente antes de la Fusión.</p>

En virtud de la información disponible para Nordea Suecia, los siguientes accionistas, directa o indirectamente, tienen una participación en el capital social o los derechos de voto de Nordea Suecia, que debe ser notificada de conformidad con la ley sueca y la ley finlandesa a 31 de enero de 2018:

	Número de acciones (millones)	Porcentaje de acciones y votos⁽¹⁾
Sampo plc	860,4	21,3

(1) Excluyendo acciones emitidas para los programas de incentivos a largo plazo (“LTIPs”).

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Elemento	Requerimiento de información	Información
B.7	Información financiera histórica clave seleccionada	<p>Información Financiera Consolidada Seleccionada y otros datos del Grupo Nordea</p> <p>La información seleccionada de la cuenta de resultados y del balance de situación presentados a continuación se deriva de la de los estados financieros consolidados auditados del Grupo Nordea para los ejercicios cerrados a 31 de diciembre de 2015, 2016 y 2017, junto con la información re-expresada y presentada a efectos comparativos del ejercicio cerrado a 31 de diciembre de 2015 incluida en los estados financieros consolidados auditados del Grupo Nordea para el ejercicio cerrado a 31 de diciembre de 2016, que han sido incorporados por referencia en el presente Folleto. Tales estados financieros han sido preparados conforme a las Normas Internacionales de Información Financiera tal y como han sido adoptadas por la Comisión Europea (“NIIF”). Nordea Finlandia, la que será sociedad matriz del Grupo Nordea una vez se complete la Fusión, fue inscrita en el Registro Mercantil finlandés el día 27 de septiembre de 2017 y no se han preparado ningunos estados financieros históricos con respecto a la misma. Los estados financieros consolidados y auditados del Grupo Nordea incorporados por referencia en este Folleto han sido preparados para el Grupo Nordea con Nordea Suecia como sociedad matriz del grupo. Dado que la Fusión se tratará en las cuentas consolidadas del Grupo Nordea como una reorganización dentro del grupo consolidado, la Fusión, entendida como una transacción intragrupo, no implica un cambio en la entidad que informa con arreglo a las NIIF. Por consiguiente, los estados financieros consolidados de Nordea Finlandia, la nueva sociedad matriz del Grupo Nordea, reflejarán una continuidad en los valores contables de los estados financieros consolidados de la antigua sociedad matriz, Nordea Suecia, que se incorporan mediante referencia en este Folleto.</p>

Información Seleccionada de la Cuenta de Resultados Consolidada

	Ejercicio cerrado a 31 de Diciembre		
	2015	2016	2017
	(Millones de euros, salvo indicación en contrario)		
Ingresos netos por intereses.....	4.963 ⁽¹⁾	4.727	4.666
Ingresos netos por honorarios y comisiones.....	3.230 ⁽¹⁾	3.238	3.369
Resultado neto de valoración de instrumentos a valor razonable.....	1.645 ⁽¹⁾	1.715	1.328
Beneficios de entidades asociadas contabilizados por el método contable de puesta en equivalencia.....	39	112	23
Otros ingresos de explotación.....	<u>263</u>	<u>135</u>	<u>83</u>
Margen bruto.....	10.140	9.927	9.469
Gastos generales de administración:			
Gastos de personal.....	(3.263)	(2.926)	(3.212)
Otros gastos.....	(1.485)	(1.646)	(1.622)
Depreciación, amortización y pérdidas por deterioro de activos tangibles e intangibles.....	<u>(209)</u>	<u>(228)</u>	<u>(268)</u>
Gastos de explotación totales.....	(4.957)	(4.800)	(5.102)
Beneficio antes de dotaciones para insolvencias.....	5.183	5.127	4.367
Valor neto de dotaciones para insolvencias.....	<u>(479)</u>	<u>(502)</u>	<u>(369)</u>
Resultado de operaciones antes de impuestos.....	4.704	4.625	3.998
Impuesto sobre sociedades.....	<u>(1.042)</u>	<u>(859)</u>	<u>(950)</u>
Resultado neto del ejercicio.....	3.662	3.766	3.048
Atribuible a:			
Accionistas de Nordea Bank AB (publ).....	3.662	3.766	3.031
Intereses minoritarios.....	–	–	17
Total.....	<u>3.662</u>	<u>3.766</u>	<u>3.048</u>
Beneficio básico por acción, EUR.....	0,91	0,93	0,75
Beneficio diluido por acción, EUR.....	0,91	0,93	0,75

(1) Debido a (i) una reclasificación en 2016 de la contabilización de las comisiones de refinanciación y comisiones de pago recibidas en relación con los préstamos hipotecarios en Dinamarca de “resultado neto de valoración de instrumentos a valor razonable” a “ingresos netos por honorarios y comisiones” y (ii) una reclasificación en 2016 de comisiones garantizadas por el estado de “ingresos netos por honorarios y comisiones” a “ingresos netos por intereses”, el Grupo Nordea re-expresó las partidas contables incluidas a efectos comparativos de la cuenta de resultados para el ejercicio cerrado a 31 de diciembre de 2015 incluidas en los estados financieros consolidados del Grupo Nordea para el ejercicio cerrado a 31 de diciembre de 2016. Las partidas re-expresadas para 2015 aquí presentadas no están auditadas. Las partidas no re-expresadas auditadas para el ejercicio cerrado a 31 de diciembre de 2015 son, en concepto de ingresos netos por intereses, 5.110 millones de euros, en concepto de ingresos netos por honorarios y comisiones, 3.025 millones de euros, y en concepto de resultado neto de valoración de instrumentos a valor razonable, 1.703 millones de euros.

Sección B – Emisor

Información Seleccionada del Balance de Situación Consolidado

	A 31 de Diciembre		
	2015	2016	2017
	(Millones de euros)		
Efectivo, saldos en bancos centrales	35.500	32.099	43.081
Créditos a bancos centrales	13.224	11.235	4.796
Créditos a entidades de crédito	10.762 ⁽¹⁾	9.026	8.592
Créditos a la clientela	340.920	317.689	310.158
Valores representativos de deuda	86.535 ⁽¹⁾	87.701	75.294
Instrumentos financieros otorgado como garantía	8.341	5.108	6.489
Instrumentos de capital	22.273 ⁽¹⁾	21.524	17.180
Activos en gestión mancomunada y productos de inversión ligados a inversiones	20.434 ⁽¹⁾	23.102	25.879
Productos derivados	80.741	69.959	46.111
Otros ⁽²⁾	28.138 ⁽¹⁾	29.319	21.846
Activos financieros mantenidos para la venta ⁽³⁾	–	8.897	22.186
Activos totales	646.868	615.659	581.612
Depósitos de entidades de crédito	44.209	38.136	39.983
Depósitos y préstamos de la clientela	189.049 ⁽⁴⁾	174.028	172.434
Depósitos en gestión mancomunada y productos de inversión ligados a inversiones	21.088 ⁽⁴⁾	23.580	26.333
Cobertura de asegurados	38.707 ⁽⁴⁾	41.210	19.412
Títulos de renta fija en circulación	201.937	191.750	179.114
Productos derivados	79.505	68.636	42.713
Otros ⁽⁵⁾	41.341 ⁽⁴⁾	41.021	42.276
Pasivos financieros mantenidos para la venta ⁽³⁾	–	4.888	26.031
Pasivos totales	615.836	583.249	548.296
Patrimonio neto	31.032	32.410	33.316
Titulares de capital tier 1 adicional	–	–	750
Intereses minoritarios	1	1	168
Pasivo y Patrimonio neto totales	646.868	615.659	581.612

- (1) El Grupo Nordea realizó una reclasificación en 2016 de ciertos valores representativos de deuda y acciones a una partida contable distinta llamada “activos en gestión mancomunada y productos de inversión ligados a inversiones” con el fin de presentarlos de manera separada de aquellos activos en los que el Grupo Nordea soportaba el riesgo de la inversión. Como consecuencia de esta reclasificación, el Grupo Nordea re-expresó las partidas contables comparativas para “créditos a entidades de crédito”, “valores representativos de deuda”, “acciones”, “inversiones inmobiliarias” y “otros activos” a 31 de diciembre de 2015 incluidos en los estados financieros consolidados del Grupo Nordea para el ejercicio cerrado a 31 de diciembre de 2016. Las partidas re-expresadas para 31 de diciembre de 2015 aquí presentadas no están auditadas. Las partidas no re-expresadas auditadas reflejarían, a 31 de diciembre de 2015, “créditos a entidades de crédito” por 10.959 millones de euros, “valores de renta fija” por 88.176 millones de euros, “acciones” por 40.745 millones de euros y “otros” por 28.262 millones de euros (que incluye, como hemos indicado en la tabla, “inversiones inmobiliarias” y “otros”, activos que disminuyeron 111 millones de euros y 13 millones de euros respectivamente debido a la reclasificación).
- (2) Incluye los cambios en el valor razonable de los elementos en cartera cubiertos por la cobertura de tipos de interés asociada, inversiones en sociedades asociadas y joint ventures, activos intangibles, propiedades y equipamiento, inversiones inmobiliarias, activos por impuestos corrientes y diferidos, planes de pensiones, gastos anticipados e ingresos devengados, así como otros activos, que incluyen reclamaciones en los ingresos por liquidación de valores, cuentas a cobrar de efectivo/margen y otros.
- (3) Los activos y pasivos mantenidos para la venta a 31 de diciembre de 2017 se refieren a la decisión de Nordea de vender el 45 por ciento adicional de las acciones en Danish Nordea Liv & Pension Livsforsikringsselskab A/S. Los activos y pasivos mantenidos para la venta a 31 de diciembre de 2016 se refieren a las operaciones del Grupo Nordea en el Báltico y actividad crediticia con clientes retail en Rusia. Los activos y pasivos incluidos en los grupos de elementos enajenables se presentan en el balance en partidas distintas como “activos mantenidos para la venta” y “pasivos mantenidos para la venta”, respectivamente, desde la fecha que se efectuó la reclasificación.
- (4) Como resultado de los cambios en la política contable resumidos en la nota (1) anterior, el Grupo Nordea reclasificó en 2016 los pasivos correspondientes a los activos en gestión mancomunada y productos de inversión ligados a inversiones en partidas contables distintas “depósitos en gestión mancomunada y productos de inversión ligados a inversiones”, dado que estos pasivos se comportan de manera distinta a los depósitos normales recibidos de los clientes. Como consecuencia de esta reclasificación, el Grupo Nordea re-expresó las partidas contables de “depósitos y préstamos de la clientela”, “cobertura de asegurados” y “otros” pasivos a 31 de diciembre de 2015 incluyendo en los estados financieros auditados del Grupo Nordea para el ejercicio cerrado a 31 de diciembre de 2016. Las partidas re-expresadas para 31 de diciembre de 2015 aquí presentadas no están auditadas. Las partidas no re-expresadas auditadas reflejarían, a 31 de diciembre de 2015, depósitos y préstamos de la clientela por 193.342 millones de euros, cobertura de asegurados por 55.491 millones de euros y otros por 41.352 millones de euros (que incluye, como hemos indicado en la tabla, inversiones inmobiliarias que disminuyeron 11 millones de euros como consecuencia de la reclasificación).
- (5) Incluye los cambios en el valor razonable de los elementos en cartera cubiertos por la cobertura de tipos de interés asociada, activos por impuestos corrientes, ingresos anticipados y gastos devengados, pasivos por impuestos diferidos, provisiones, pasivos por prestaciones de jubilación, pasivos subordinados, y otros pasivos, que incluyen, que incluyen reclamaciones en los ingresos por liquidación de valores, vendidos, mantenidos, valores, cuentas a pagar, cuentas a cobrar de efectivo/margen y otros.

Sección B – Emisor

Ratios Regulatorios Principales y Datos Financieros Principales⁽¹⁾

	Ejercicio cerrado a 31 de Diciembre		
	2015	2016	2017
Ratios Regulatorios Principales			
Ratio de préstamos fallidos, puntos básicos ⁽²⁾	14	15	12
Capital common equity tier 1 (CET1), excluyendo el suelo de Basilea I ⁽³⁾⁽⁴⁾ , en porcentaje.....	16,5	18,4	19,5
Ratio de capital tier 1 excluyendo el suelo de Basilea I ⁽³⁾⁽⁴⁾ , en porcentaje.....	18,5	20,7	22,3
Ratio de capital total, excluyendo el suelo de Basilea I ⁽³⁾⁽⁴⁾ , en porcentaje.....	21,6	24,7	25,2
Capital tier 1 ⁽³⁾⁽⁴⁾ , en miles de millones de euros.....	26,5	27,6	28,0
Cantidad de exposición al riesgo (REA), excluyendo el suelo de Basilea I ⁽³⁾ , en miles de millones de euros.....	143	133	126
Capital económico ⁽⁴⁾ , en miles de millones de euros.....	25,0	26,3	26,7
Datos Financieros Principales			
Rendimientos sobre fondos propios ⁽⁵⁾ , en porcentaje.....	12,2	12,3	9,5
Ratio de eficiencia, excluyendo elementos que afectan a la comparabilidad, en porcentaje.....	47	50	54
Rentabilidad ajustada al riesgo (RORAC), excluyendo elementos que afectan a la comparabilidad ⁽⁶⁾ , en porcentaje.....	14,8	13,2	11,1
Acciones y otros datos			
Precio por acción ⁽⁴⁾ , en euros.....	10,15	10,60	10,09
Rendimiento total de los accionistas, en porcentaje.....	8,2	16,3	3,6
Dividendo por acción propuesto/actual, en euros.....	0,64	0,65	0,68
Fondos propios por acción ⁽⁴⁾ , en euros.....	7,69	8,03	8,21
Acciones potenciales en circulación ⁽⁴⁾ , en millones.....	4.050	4.050	4.050
Número promedio de acciones diluidas, en millones.....	4.031	4.037	4.039
Número de empleados (equivalente a tiempo completo, ("FTE") por sus siglas en inglés) ⁽⁴⁾	29.815	31.596	30.399

(1) Para definiciones de los ratios y otros términos clave, véase “—Definición de los Principales Ratios Regulatorios” y “—Definición de los Principales Datos Financieros” más adelante.

(2) Incluidos los créditos a la clientela clasificados como activos mantenidos para la venta en 2016.

(3) Incluyendo el resultado del ejercicio.

(4) Cierre del ejercicio.

(5) El rendimiento sobre fondos propios del Grupo Nordea, excluyendo elementos que afectan a la comparabilidad, fue del 9,5 por ciento en 2017, 11,5 por ciento en 2016 y 12,3 por ciento en 2015.

(6) El RORAC, excluyendo elementos que afectan a la comparabilidad, se actualiza en 2016 debido al cambio en la definición de Capital Económico promedio.

Definición de los Principales Ratios Regulatorios

A continuación se detallan las definiciones de los términos y ratios regulatorios principales utilizados en “—Ratios Regulatorios Principales y Datos Financieros Principales”, mencionados arriba.

Ratio de préstamos fallidos, puntos básicos..... Se refiere a las pérdidas netas en préstamos (anualizadas) divididas por el saldo final de préstamos al público (préstamos).

Capital *common equity tier 1* (CET1)..... Se refiere al *Capital common equity Tier 1* (CET1) como porcentaje de la cantidad de exposición al riesgo (REA).

Ratio de capital *tier 1*..... Se refiere al *Capital Tier 1 (CET1)* como porcentaje de la cantidad de exposición al riesgo (REA).

Ratio de capital total..... Se refiere a los fondos propios como porcentaje de la cantidad de exposición al riesgo (REA).

Fondos propios..... Los fondos propios se definen en el Artículo 72 del CRR (tal y como se define más abajo) y consisten en la suma de capital de nivel 1 y capital de nivel 2.

Capital *tier 1*..... Se define en el Artículo 25 del CRR como la suma del *Capital Tier 1 (CET1)* y el *Capital Tier 1 adicional* de la sociedad. El *common equity Tier 1 (CET1)* se define en el Artículo 50 del CRR e incluye el capital consolidado excluyendo inversiones en compañías aseguradoras, dividendos propuestos, activos por impuestos diferidos, activos intangibles en operaciones bancarias, la deducción completa del déficit esperado (la diferencia negativa entre las pérdidas previstas y las provisiones contabilizadas) y otras deducciones tales como coberturas de flujos de caja.

Sección B – Emisor

Cantidad de exposición al riesgo (REA)	Se refiere a los activos totales y elementos fuera de balance valorados en relación con el riesgo de crédito y de mercado, así como los riesgos operativos de los compromisos del Grupo Nordea de acuerdo con las normas que regulan la adecuación de capital, excluyendo activos en compañías aseguradoras, el valor contable de las acciones que hemos deducido de los fondos propios y activos intangibles.
Cantidad de exposición al riesgo (REA)	Se define en el Artículo 92.3 del CRR y se refiere a los activos totales y elementos fuera de balance valorados en relación con el riesgo de crédito y de mercado, así como los riesgos operativos de los compromisos del Grupo Nordea de acuerdo con las normas que regulan la adecuación de capital, excluyendo activos en compañías aseguradoras, el valor contable de las acciones que hemos deducido de los fondos propios y activos intangibles.
Capital Económico.....	Se refiere a la cantidad de capital derivada internamente para garantizar que una sociedad se mantenga solvente. El enfoque incluye tanto el capital del pilar 1 como del pilar 2 en base a una medición de confianza del 99,9 por ciento.

Definición de los Principales Datos Financieros

A continuación se detallan las definiciones de los principales términos y datos financieros utilizados en “—*Ratios Regulatorios Principales y Datos Financieros Principales*”, mencionados.

Rendimientos sobre fondos propios, en porcentaje.....	Se refiere al beneficio neto del año como porcentaje del patrimonio promedio del año. El capital adicional <i>tier 1</i> , contabilizado en el patrimonio neto, se considera en el cálculo como un pasivo financiero. El beneficio neto para el período excluye las participaciones minoritarias y los gastos por intereses sobre el capital adicional <i>tier 1</i> (intereses discrecionales devengados). El patrimonio promedio incluye el beneficio neto del período y el dividendo hasta el pago, y excluye las participaciones minoritarias y el capital adicional <i>tier 1</i> .
Ratio de eficiencia, excluyendo elementos que afectan a la comparabilidad	Se refiere a los gastos de explotación totales excluidos los elementos que afectan a la comparabilidad divididos por el margen bruto excluidos los elementos que afectan la comparabilidad.
RORAC (rentabilidad ajustada al riesgo), excluyendo elementos que afectan a la comparabilidad, en porcentaje.....	Se refiere al beneficio neto en porcentaje del período excluyendo elementos que afectan a la comparabilidad en porcentaje del Capital Económico.
Elementos que afectan a la comparabilidad	Elementos significativos que interfieren con las comparaciones internacionales, tales como una ganancia significativa en la venta de unidades de negocio, los gastos de la reestructuración y los cambios en los convenios de pensiones.

Sección B – Emisor

Reconciliación de Ciertos Datos Financieros Principales

La tabla siguiente recoge la especificación de elementos que afectan a la comparabilidad y el cálculo del ratio de eficiencia excluyendo elementos que afectan a la comparabilidad para los ejercicios cerrados a 31 de diciembre de 2015, 2016 y 2017:

	Ejercicio cerrado a 31 de Diciembre		
	2015	2016	2017
	(Millones de euros, salvo indicación en contrario)		
Elementos que afectan a la comparabilidad, antes de impuestos:			
Ganancias por la desinversión del negocio de adquisición de empresas de Nordea a Nets Holding A/S	176	–	–
Ganancias relacionadas con la compra de Visa Europe Ltd. por Visa Inc.	–	173	–
Gastos de la reestructuración.....	(263)	–	–
Cambios en el acuerdo de pensiones en Noruega.....	–	86	–
Elementos totales que afectan a la comparabilidad, antes de impuestos	<u>(87)</u>	<u>259</u>	<u>–</u>
Gastos de explotación totales	(4.957)	(4.800)	(5.102)
Elementos que afectan a la comparabilidad de los gastos de explotación totales.....	263	(86)	–
Gastos de explotación totales excluyendo elementos que afectan a la comparabilidad	<u>(4.694)</u>	<u>(4.886)</u>	<u>(5.102)</u>
Margen bruto	10.140	9.927	9.496
Elementos que afectan a la comparabilidad del margen bruto	(176)	(173)	–
Margen bruto excluyendo elementos que afectan a la comparabilidad	<u>9.964</u>	<u>9.754</u>	<u>9.496</u>
Ratio de eficiencia excluyendo elementos que afectan a la comparabilidad, en porcentaje	47	50	54

La tabla siguiente recoge el cálculo del RORAC, excluyendo elementos que afectan a la comparabilidad, definido por Nordea para los ejercicios cerrados a 31 de diciembre de 2015, 2016 y 2017:

	Ejercicio cerrado a 31 de Diciembre		
	2015	2016	2017
	(Millones de euros, salvo indicación en contrario)		
Beneficio neto del periodo	3.662	3.766	3.048
Elementos que afectan a la comparabilidad, libre de impuestos	29	(227)	–
Beneficio neto del periodo excluyendo elementos que afectan a la comparabilidad.....	<u>3.691</u>	<u>3.539</u>	<u>3.048</u>
Capital económico medio.....	25.005	26.773	27.342
RORAC, excluyendo elementos que afectan a la comparabilidad⁽¹⁾, en porcentaje	14,8	13,2	11,1

(1) El RORAC, excluyendo elementos que afectan a la comparabilidad, se actualiza en 2016 debido al cambio en la definición de Capital Económico promedio.

Sección B – Emisión

Elemento	Requerimiento de información	Información
B.8	Información financiera seleccionada <i>pro forma</i>	No aplicable. Este Folleto no contiene información financiera pro forma.
B.9	Estimación de beneficios	No aplicable. Este Folleto no contiene estimación de beneficios.
B.10	Naturaleza de las salvedades contenidas en el informe de auditoría sobre la información financiera	No aplicable. No existen salvedades en el informe de auditoría sobre la información financiera histórica.
B.11	Capital circulante	No aplicable. Nordea estima que el capital circulante del Grupo (<i>i.e.</i> , su capacidad para acceder a tesorería y otros recursos líquidos disponibles) es suficiente para cumplir con sus compromisos de pago derivados de sus pasivos en los 12 meses siguientes a la fecha de este Folleto.

Sección C - Valores

Elemento	Requerimiento de información	Información
C.1	Tipo y clase de valores admitidos a cotización	Nordea Finlandia tiene únicamente una clase de acciones, cuyo código ISIN es FI4000297767. De acuerdo con los estatutos sociales actuales y aquellos que se aprueben tras la obtención de la licencia de entidad de crédito, Nordea Finlandia sólo podrá emitir una clase de acciones.
C.2	Divisa de la emisión de los valores	Euros.
C.3	Número de acciones emitidas / valor nominal por acción	A la fecha de este Folleto, el capital social de Nordea Finlandia asciende a 5.000.000 euros, consistentes en una sola acción ordinaria. Después de completarse la Fusión, el capital social de Nordea Finlandia se incrementará hasta 4.049.951.919 euros, y el número de acciones se aumentará hasta corresponderse con la Contraprestación de la Fusión. Nordea Finlandia tiene previsto llevar a cabo una emisión de acciones directa dirigida a sí misma antes de la finalización de la Fusión, con el propósito de implementar programas de incentivos basados en acciones. El número de acciones propias que habrán de emitirse en la emisión de acciones directa debería corresponderse con el número de acciones propias que Nordea Suecia posea en la Fecha de Cierre.
C.4	Derechos que llevan aparejados los valores	<p>General</p> <p>Nordea Finlandia es una sociedad de responsabilidad limitada (en inglés: <i>public limited liability company</i>), constituida en Finlandia y sujeta a, entre otras leyes, la Ley de Sociedades Finlandesa (en finlandés: <i>osakeyhtiölaki (624/2006)</i>) (la “Ley de Sociedades Finlandesa”). Tras la Fusión, Nordea Finlandia será una sociedad bancaria de responsabilidad limitada (en inglés: <i>public limited liability banking company</i>) y, como tal, estará sujeta a, entre otras leyes, la Ley Finlandesa de Entidades de Crédito y a la Ley Finlandesa de Banca Comercial.</p> <p>De conformidad con las normas del Nasdaq de Helsinki, todos los emisores de acciones que sean admitidas a cotización en el mercado del Nasdaq de Helsinki deben cumplir con el Código de Buen Gobierno Corporativo Finlandés (en finlandés: <i>Suomen listayhtiöiden hallinnointikoodi</i>) (el “Código de Buen Gobierno Corporativo Finlandés”). En consecuencia, al término de la Fusión y la Admisión a Cotización, Nordea Finlandia deberá cumplir con el Código de Buen Gobierno Corporativo Finlandés. Las recomendaciones del Código de Buen Gobierno Corporativo Finlandés son adicionales a las provisiones legales y se aplican con arreglo al principio “cumplir o explicar”. Por lo tanto, una sociedad puede desviarse de las recomendaciones específicas del Código de Buen Gobierno Corporativo Finlandés siempre que informe de dicha desviación explicando las razones de la misma. Dado que Nordea Finlandia debe cumplir el Código de Buen Gobierno Corporativo Finlandés, Nordea Finlandia no aplicará el Código de Buen Gobierno Corporativo Sueco (en sueco: <i>Svensk kod för bolagsstyrning</i>) (el “Código de Buen Gobierno Corporativo Sueco”), ya que la aplicación simultánea de dos códigos distintos podría suponer cumplir con requisitos contradictorios dando lugar a resultados igualmente contradictorios. No obstante, no se espera que las prácticas de gobierno corporativo de Nordea Finlandia se desvíen del Código de Buen Gobierno Corporativo Sueco en ningún aspecto significativo.</p> <p>Los derechos vinculados a las acciones de Nordea Finlandia están determinados por la Ley de Sociedades Finlandesa y la regulación finlandesa aplicable.</p> <p>Junta General</p> <p>El órgano de gobierno principal de Nordea Finlandia es la junta general, en la cual los accionistas ejercitan su poder de decisión.</p>

Sección C - Valores

Elemento	Requerimiento de información	Información
		<p style="text-align: center;">Dividendos y Otros Repartos de Fondos</p> <p>Todas las acciones de Nordea Finlandia otorgarán a sus titulares los mismos derechos en cuanto a dividendos y otros fondos distribuibles (incluyendo la cuota de liquidación en caso de disolución de Nordea Finlandia), una vez se hayan inscrito las acciones en el Registro Mercantil finlandés. Los dividendos y otros repartos de fondos se abonarán a los accionistas o titulares (en inglés: nominees) si han sido inscritos en el libro registro de accionistas en la fecha correspondiente. El derecho a percibir dividendos expira a los tres años desde la fecha de pago del dividendo.</p> <p>De acuerdo con los usos predominantes en Finlandia, los dividendos que reparte una sociedad de responsabilidad limitada finlandesa, en caso de que los haya, se declaran normalmente una vez al año. Los dividendos pueden abonarse, y el capital disponible para un determinado ejercicio puede distribuirse, después de que la junta general de accionistas haya aprobado los estados financieros para ese ejercicio y decidido sobre la cantidad de dividendos a repartir o sobre la distribución del capital disponible, basándose en la propuesta que haga el consejo de administración de la sociedad. Además, bajo ley finlandesa, la junta general puede autorizar al consejo de administración a que determine la distribución de los dividendos especificando la cantidad máxima de activos objeto de distribución.</p> <p>El importe de cualquier dividendo u otro capital distribuible estará limitado por la cantidad de fondos distribuibles que la sociedad haya reflejado en los estados financieros sobre los que se base la decisión de repartir dividendos o cualquier otro capital distribuible, que quedará sujeta a cualquier cambio significativo en la posición financiera de la sociedad desde que los estados financieros hayan sido preparados. En Finlandia, los activos no deben distribuirse si a la hora de determinar el reparto se conoce o debiera conocerse que la sociedad es insolvente o que el reparto resultará en la insolvencia de la sociedad.</p> <p>De acuerdo con la legislación finlandesa, al menos la mitad de los beneficios de un ejercicio deben distribuirse como dividendos si, en la junta general anual, así lo solicitan accionistas que representen al menos un diez por ciento de la totalidad de las acciones. De conformidad con la legislación finlandesa, deberá reducirse dicho dividendo en una cantidad equivalente a los dividendos que se hayan repartido con anterioridad a la junta general anual y de acuerdo con cualquier disposición relevante en los estatutos de la sociedad. Además, no pueden distribuirse los beneficios que excedan de la cantidad que puede ser legalmente distribuida sin el consentimiento de los acreedores de la sociedad o que excedan del 8 por ciento de la deuda de la sociedad. Adicionalmente, de conformidad con la Ley Finlandesa de Entidades de Crédito, si la cantidad de los fondos propios o fondos propios consolidados de una entidad financiera disminuye por debajo del capital requerido establecido en el Reglamento (UE) n° 575/2013 del Parlamento Europeo y del Consejo, de 26 de junio de 2013, sobre los requisitos prudenciales de las entidades de crédito y las empresas de inversión, y por el que se modifica el Reglamento (UE) n° 648/2012 (el “CRR”) o en la Ley Finlandesa de Entidades de Crédito, la entidad de crédito, como es el caso de Nordea Finlandia, no debería distribuir dividendos salvo que la Autoridad Financiera de Supervisión Finlandesa, por alguna razón especial, le otorgue una exención para un periodo determinado.</p>
C.5	Restricciones a la libre transmisibilidad de los valores	No existen restricciones bajo ley finlandesa o en los estatutos sociales de Nordea Finlandia en relación con el derecho a transmitir las acciones de Nordea Finlandia y Nordea Finlandia no tiene constancia de ningún pacto parasocial de sus accionistas al respecto. No obstante, dado que Nordea Finlandia será, tras la obtención de la licencia de entidad de crédito otorgada por el BCE, una entidad de crédito, la adquisición directa o indirecta de acciones de Nordea Finlandia que resulte en que la participación accionarial del adquirente deba considerarse

Sección C - Valores

Elemento	Requerimiento de información	Información
		<p>como una participación significativa (10 por ciento o más del capital social o de los derechos de voto, o una participación accionarial que permita de otro modo al adquirente ejercer una influencia significativa sobre la administración de Nordea Finlandia) sólo podrá llevarse a cabo tras autorización del BCE. También se necesitará la autorización del BCE para el caso de que la participación accionarial sea igual o superior al 20 por ciento, 30 por ciento o 50 por ciento del capital social o de los derechos de voto.</p>
C.6	Admisión / Mercados regulados en los que los valores cotizan	<p>Las acciones de Nordea Suecia cotizan en el Nasdaq Nórdico, las bolsas de Estocolmo (en coronas suecas), Helsinki (bajo acciones FDRs de Nordea Suecia con precios en euros) y Copenhague (en coronas danesas).</p> <p>El Nasdaq de Helsinki, el Nasdaq de Estocolmo y el Nasdaq de Copenhague han aprobado la admisión a cotización, sujeta a ciertas condiciones, de las acciones de Nordea Finlandia para que coticen en sus mercados oficiales a partir de la Fecha de Cierre. En ese momento dejarán de cotizar las acciones de Nordea Suecia en el Nasdaq de Estocolmo y en el Nasdaq de Copenhague, así como los FDRs de Nordea Suecia en el Nasdaq de Helsinki. La admisión a cotización de las acciones de Nordea Finlandia en el Nasdaq de Helsinki, el Nasdaq de Estocolmo y el Nasdaq de Copenhague está prevista que comience en o alrededor de la Fecha de Cierre.</p>
C.7	Política de dividendos	<p>De acuerdo con la política de dividendos del Grupo Nordea, el Grupo Nordea aspira a mantener una sólida posición de capital en línea con la política de recursos propios con la ambición de lograr un crecimiento anual en el dividendo por acción. La intención, a día de hoy, es mantener dicha política para la sociedad matriz del Grupo Nordea independientemente del traslado del domicilio social y Fusión propuestos.</p> <p>Sin perjuicio de que Nordea Finlandia adopte cualquier política de dividendos, Nordea Finlandia evaluará las condiciones necesarias para el pago de los dividendos u otros repartos de capital disponible de forma anual, lo que podrá resultar en una desviación con respecto de la política de dividendos, que podrá llegar hasta el extremo de que no se reparta dividendo alguno. La cuantía de dividendos que pagará Nordea Finlandia en un determinado ejercicio es, por tanto, incierta. Además, cualquier pago de dividendos o distribución de capital disponible por Nordea Finlandia en ejercicios anteriores no puede interpretarse como una indicación de que se vayan a pagar dividendos en el futuro.</p>

Sección D – Riesgos

Elemento	Requerimiento de información	Información
D.1	Riesgos principales específicos al emisor o su sector / industria	<p><i>Las operaciones comerciales ordinarias del Grupo Nordea, incluyendo aquellas en sus mercados nórdicos domésticos, no cambiarán con el traslado de su domicilio social. Excepto en las secciones en las que se haga referencia a la Fusión y/o transacciones contempladas en conexión con esta o, cuando se deduzca claramente del contexto lo contrario, los factores de riesgo descritos a continuación reflejan el negocio del Grupo Nordea tanto antes como después de la Fusión.</i></p> <p>Las operaciones comerciales ordinarias del Grupo Nordea, incluidas aquellas en sus mercados nórdicos domésticos, no cambiarán con el traslado de su domicilio social. Tampoco se esperan cambios en las operaciones comerciales ordinarias en cuanto a clientes se refiere.</p>

Sección D – Riesgos

Elemento	Requerimiento de información	Información
		<p>Riesgos relacionados con la Fusión</p> <p><i>Los riesgos relacionados con la Fusión incluyen, pero no están limitados a:</i></p> <ul style="list-style-type: none">• existen riesgos e incertidumbres asociados al traslado del domicilio y Fusión propuestos, y la no consecución o el retraso en la consecución de la Fusión podrían afectar negativamente al negocio del Grupo Nordea, a los resultados de sus operaciones y a situación financiera;• la no consecución o retraso en la consecución de los pasos a completar como parte del proceso del traslado de domicilio social y Fusión podría retrasar la consecución, o conllevar el fracaso de la Fusión, pudiendo afectar negativamente al negocio del Grupo Nordea, a los resultados de sus operaciones y a situación financiera;• es posible que Nordea no sea capaz de materializar el ahorro que pretende generar mediante el traslado de domicilio social y la Fusión; y• existe incertidumbre en relación con el trato fiscal que se le vaya a dar a la Fusión en ciertas jurisdicciones y es posible que algunas autoridades fiscales a nivel local pongan en duda la neutralidad de la misma. <p>Riesgos relacionados con las Operaciones del Grupo Nordea</p> <p><i>Los riesgos relacionados con el marco jurídico y regulatorio en el que el Grupo Nordea opera incluyen, pero no están limitados a:</i></p> <ul style="list-style-type: none">• el Grupo Nordea se encuentra sujeto a una extensa regulación que es susceptible de ser modificada;• el Grupo Nordea puede incurrir en costes sustanciales para seguir cumpliendo y cumplir con los nuevos requisitos de solvencia de capital así como con los nuevos mecanismos de recuperación y resolución;• la directiva CRD IV introduce requisitos de capital adicionales al ratio de capital mínimo;• la reciente regulación puede afectar a las necesidades de financiación así como a la posición de capital del Grupo Nordea;• tras la Fusión, la supervisión del Grupo Nordea será transferida al BCE y el Grupo Nordea estará sujeto al Mecanismo Único de Supervisión y al Mecanismo Único de Resolución;• el riesgo de liquidez es inherente a las operaciones del Grupo Nordea;• los resultados del Grupo Nordea podrían verse afectados si sus ratios de solvencia se redujeran o fueran percibidos como inadecuados;• pueden surgir reclamaciones legales o regulatorias con respecto a la gestión del negocio por parte del Grupo Nordea;• el Grupo Nordea está expuesto al riesgo de que cambie la legislación fiscal, incluyendo una subida de los tipos impositivos;• los cambios en las políticas o principios contables del Grupo Nordea podrían afectar significativamente a la forma en la que reporta su situación financiera y los resultados de sus operaciones; y• los costes de financiación del Grupo Nordea y su acceso a los mercados de deuda dependen significativamente de su calificación crediticia.

Sección D – Riesgos

Elemento	Requerimiento de información	Información
		<p><i>Los riesgos relacionados con las condiciones macroeconómicas incluyen, pero no están limitados a:</i></p> <ul style="list-style-type: none"> • una evolución negativa en la economía y en las condiciones de los mercados en los que el Grupo Nordea opera podría afectar negativamente al negocio del Grupo Nordea y a su situación financiera; y • las perturbaciones y volatilidad en los mercados financieros globales pueden afectar de manera negativa al Grupo Nordea. <p><i>Los riesgos relacionados con la cartera crediticia del Grupo Nordea incluyen, pero no están limitados a:</i></p> <ul style="list-style-type: none"> • el deterioro de la calidad crediticia de las contrapartes podría afectar al rendimiento financiero del Grupo Nordea; y • el Grupo Nordea se halla expuesto al riesgo de crédito de la contraparte. <p><i>Los riesgos relacionados con la exposición al mercado incluyen, pero no están limitados a:</i></p> <ul style="list-style-type: none"> • el Grupo Nordea se halla expuesto al riesgo derivado de los precios de mercado; y • el Grupo Nordea se halla expuesto al riesgo de mercado estructural. <p><i>Otros riesgos relacionados con las operaciones del Grupo Nordea incluyen, pero no están limitados a:</i></p> <ul style="list-style-type: none"> • el riesgo operativo, incluyendo los riesgos relacionados con el asesoramiento de inversión, podría afectar negativamente al negocio del Grupo Nordea; • las operaciones del Grupo Nordea fuera de los mercados nórdicos, particularmente en Rusia, están sujetadas a riesgos que no aplican o aplican en menor grado a sus negocios en los mercados nórdicos; • la rentabilidad del negocio de seguros de vida y fondos de pensiones del Grupo Nordea depende de las normas y directrices vigentes en las jurisdicciones en las que opera; • el Grupo Nordea podría fracasar en la atracción o retención de sus altos directivos y empleados clave; • el Grupo Nordea se enfrenta a un ambiente competitivo en todos los mercados en los que opera; y • el Grupo Nordea podría no ser capaz de implementar con éxito su plan estratégico.
D.3	Riesgos principales específicos de los valores	<p><i>Los riesgos relacionados con las acciones de Nordea Finlandia incluyen, pero no están limitados a:</i></p> <ul style="list-style-type: none"> • la capacidad de Nordea Finlandia para distribuir dividendos y otro capital distribuable de acuerdo con su política de distribución de dividendos o de otra forma depende de la disponibilidad de fondos distribuíbles y de que Nordea Finlandia pueda no ser capaz de pagar o, decidir no pagar, dividendos o cualquier otro tipo de capital distribuíble en el futuro;

Sección D – Riesgos

Elemento	Requerimiento de información	Información
		<ul style="list-style-type: none"> • el tipo de retención al que están sujetos los accionistas nominativos no identificados (en inglés: <i>unidentified nominee-registered shareholders</i>) puede incrementarse como consecuencia de los posibles cambios en el régimen finlandés de retenciones fiscales; • la recepción de la Contraprestación de la Fusión por los accionistas de Nordea puede constituir un supuesto de hecho imponible en ciertas jurisdicciones y se recomienda que los accionistas consulten a un asesor fiscal sobre las implicaciones fiscales derivadas de la Fusión; • los intereses de ciertos accionistas significativos de Nordea Finlandia pueden ser diferentes de los intereses del resto de accionistas de Nordea Finlandia; • las emisiones o ventas futuras de un número de acciones significativo de Nordea Finlandia pueden acarrear consecuencias negativas en el precio de cotización de las acciones de Nordea Finlandia y, una potencial emisión en el futuro puede resultar en la dilución de la participación en el capital de Nordea Finlandia de los accionistas actuales; • es posible que ciertos accionistas extranjeros no puedan ejercitar los derechos de adquisición preferente y otros derechos derivados de su condición de accionistas de los que gozan por mandato de la Ley de Sociedades Finlandesa; • el precio de cotización de las acciones de Nordea Finlandia podría fluctuar de manera considerable; • la consecución de transacciones relacionadas con las acciones de Nordea Finlandia está sujeta a los procesos, sistemas y a la cooperación entre Euroclear Finland Ltd, Euroclear Sweden AB y VP Securities A/S; y • los inversores con una divisa de referencia distinta al euro estarán sujetos a ciertos riesgos de divisa cuando inviertan en las acciones de Nordea Finlandia.

Sección E – Oferta

Elemento	Requerimiento de información	Información
E.1	Ingresos netos totales / estimación de gastos	Nordea Finlandia no recibirá fondos líquidos como resultado de la Fusión. Los costes totales en los que Nordea espera incurrir en relación con el traslado de domicilio social y la Fusión comprenden básicamente: costes de ejecución relacionados con la financiación y costes del proyecto, incluyendo las tecnologías de la información (“IT”) y los costes legales y de asesoramiento y excluyendo los gastos de personal. Se prevé que asciendan a, aproximadamente, 100 millones de euros antes de impuestos (no descontados), de los que 11 millones ya se habían incurrido a 31 de diciembre de 2017.
E.2a	Motivos de la oferta, destino de los ingresos, previsión del importe neto de los ingresos	<p>En el primer trimestre de 2017, Nordea inició un análisis y evaluación de las opciones para abordar los efectos de la exposición del Grupo Nordea al marco regulatorio sueco, incluyendo su desligamiento del marco regulatorio de la unión bancaria de la UE. Las opciones consideradas incluían, entre otras, el traslado de la sede social del Grupo Nordea fuera de Suecia.</p> <p>El 6 de septiembre de 2017, tras haberse completado dicho análisis y evaluación, el consejo de administración de Nordea Suecia decidió iniciar un proceso de cambio del domicilio de la sociedad matriz del Grupo Nordea de</p>

Sección E – Oferta

Elemento	Requerimiento de información	Información
		<p>Suecia a Finlandia, un estado miembro de la unión bancaria de la UE. Esta decisión se basó en la estructura pan-nórdica e internacional única que posee el Grupo Nordea, ya que su modelo de negocio y determinados desarrollos estratégicos recientes no encajaban completamente con el marco normativo nacional. Nordea Suecia prevé que la domiciliación de la sociedad matriz del Grupo Nordea en un estado que participe en la unión bancaria de la UE implicará que el Grupo Nordea esté sujeto al mismo marco regulatorio que sus comparables europeos, con una mayor consistencia en la aplicación de las leyes y regulaciones resultando en unas reglas del juego más equitativas. Nordea Suecia prevé que esto promueva los intereses de sus clientes, accionistas y empleados. Las operaciones comerciales ordinarias del Grupo Nordea, incluidas aquellas en los mercados nórdicos domésticos, no cambiarán con el traslado de su domicilio social. Tampoco se esperan cambios en las operaciones comerciales ordinarias desde la perspectiva de los clientes.</p> <p>Nordea Suecia prevé que el valor actual neto del ahorro total relacionado con los gastos de resolución, depósito de garantías y otros efectos transitorios derivados del traslado de domicilio social a Finlandia es de entre 0,9 y 1,2 miles de millones de euros. Del valor actual neto del ahorro total, se espera que se materialicen hasta 90 millones de euros entre 2017 y 2019, quedando la posibilidad de que no se lleguen a materializar, y entre 900 y 1.070 millones de euros se materialicen después de 2019. Está previsto que los gastos de resolución y depósito de garantías a pagar para 2018 crezcan entre aproximadamente 60 y 130 millones de euros en comparación con 2017. Para 2019, está previsto que estos gastos oscilen reduciéndose en 10 millones de euros o creciendo en hasta 60 millones de euros, en comparación con 2017.</p> <p><i>Las consideraciones expuestas más arriba incluyen las expectativas de Nordea Suecia con respecto al valor actual neto del ahorro relacionado con gastos de resolución, depósito de garantías y otros efectos transitorios derivados del traslado del domicilio social de Nordea Suecia a Finlandia. Nordea Suecia ha calculado el valor actual neto esperado del impacto del traslado del domicilio social mediante el descuento de ingresos futuros después de impuestos (en inglés: post-tax income statement effects) basándose en la información disponible a la fecha de este Folleto. Los cálculos de los que derivan los valores actuales netos del ahorro esperado han sido desarrollados teniendo en cuenta el marco regulatorio y legal actual y la asunción de que el traslado del domicilio social y la Fusión se llevarán a cabo manteniendo la neutralidad fiscal siguiendo las pautas de una fusión transfronteriza por absorción inversa y dentro del plazo previsto, es decir, con anterioridad al o en el 1 de octubre 2018.</i></p> <p><i>Las estimaciones del valor actual neto recogidas en esta sección están sujetas a modificaciones y están basadas en un número determinado de asunciones y juicios relativos a, entre otros, el nivel de gastos de resolución y de depósitos de garantías de aquí en adelante así como los efectos transitorios derivados del traslado del domicilio social, y han sido preparadas con base a las expectativas sobre el desarrollo de los entornos comercial, regulatorio y económico que maneja actualmente Nordea Suecia. Las estimaciones no pueden reflejar acontecimientos imprevistos que, entre otros, puedan dar lugar en cambios en el marco regulatorio, incluyendo los requisitos de capital que resulten aplicables, a los que el Grupo Nordea estará sujeto.</i></p>
E.3	Términos y condiciones de la oferta	<p>El 25 de octubre de 2017 los consejos de administración de Nordea Suecia y Nordea Finlandia acordaron y firmaron el Proyecto de Fusión, que establece los términos y condiciones de esta, así como los procesos relacionados con la misma. En virtud del Proyecto de Fusión, los consejos de administración de Nordea Suecia y Nordea Finlandia propusieron que Nordea Suecia fuera absorbida por Nordea Finlandia mediante la Fusión, propuesta para ser llevada a cabo como una fusión transfronteriza por absorción inversa en virtud de lo</p>

Sección E – Oferta

Elemento	Requerimiento de información	Información
		<p>dispuesto en el Capítulo 16, Artículos 19 a 28 de la Ley de Sociedades Finlandesa y, en lo que resultare aplicable, el Capítulo 2 de la Ley Finlandesa de Banca Comercial así como el Capítulo 23, Artículo 36 (más abajo referenciado) de la Ley de Sociedades Sueca (en sueco: <i>aktiebolagslag (2005:551)</i>) (la “Ley de Sociedades Sueca”) y el Capítulo 10, Artículos 18 a 25b de la Ley Bancaria y de Banca Corporativa Sueca (en sueco: <i>lag (2004:297) om bank- och finansieringsrörelse</i>) (la “Ley Bancaria y de Banca Corporativa Sueca”). Nordea Suecia se disolverá automáticamente tras la Fecha de Cierre como resultado de la Fusión.</p> <p>Los accionistas de Nordea Suecia recibirán como contraprestación una acción de nueva emisión de Nordea Finlandia por cada acción de Nordea Suecia que posean en el momento de la Fecha de Cierre de la Fusión, lo que significa que la Contraprestación de la Fusión se entregará a los accionistas de Nordea Suecia en proporción a su participación accionarial del momento, con un tipo de canje de 1 a 1. El tipo de canje ha sido determinado teniendo en cuenta el hecho de que Nordea Finlandia es una filial íntegramente participada por Nordea Suecia sin actividad propia, lo que significa que el valor total de las acciones de Nordea Finlandia después de la Fusión reflejará el valor total de las acciones de Nordea Suecia. El capital social de Nordea Finlandia se aumentará de 5.000.000 euros a los 4.049.951.919 euros que corresponden al capital social de Nordea Suecia en el marco de la ejecución de la Fusión.</p> <p>El consejo de administración de Nordea Suecia presentará el Proyecto de Fusión a sus accionistas en la Junta General Ordinaria prevista para el 15 de marzo de 2018 para su aprobación, que requerirá el voto favorable de dos tercios de las acciones presentes y votos emitidos en la reunión. En el caso de que la Junta General no apruebe el Proyecto de Fusión, la Fusión no se llevará a cabo. Adicionalmente a la aprobación por la Junta General del Proyecto de Fusión, la ejecución de la Fusión está supeditada a, entre otros, las autorizaciones administrativas necesarias y demás aprobaciones internas. El consejo de administración de Nordea Suecia recomienda que la Junta General de Nordea Suecia apruebe el Proyecto de Fusión. Las autorizaciones administrativas requeridas para la ejecución de la Fusión incluyen, entre otras, la autorización de la SFSA, que, como parte del proceso de autorizaciones, evaluará si los acreedores de Nordea Suecia estarán suficientemente protegidos en los casos en que tal protección sea necesaria, teniendo en cuenta la situación financiera de Nordea Suecia y Nordea Finlandia así como los intereses de los depositarios y demás acreedores de Nordea Suecia. Adicionalmente, la SFSA podrá rechazar la solicitud si el rechazo se justifica en razones de interés general.</p> <p>Siempre y cuando se cumplan las condiciones para la ejecución de la Fusión, la Fusión se llevará a cabo en la Fecha de Cierre, esto es, cuando la Fusión se halle inscrita en el Registro Mercantil finlandés, que se prevé que ocurra en la segunda mitad de 2018, siendo la fecha provisional el 1 de octubre de 2018. En ese momento, los accionistas de Nordea Suecia devendrán accionistas de Nordea Finlandia. Nordea Suecia se disolverá automáticamente tras la Fecha de Cierre como resultado de la Fusión. Por razones contables y legales, los derechos y obligaciones de Nordea Suecia así como sus activos y pasivos serán transferidos por sucesión universal a Nordea Finlandia en la Fecha de Cierre en virtud de la normativa sueca y finlandesa aplicable, y todas las transacciones llevadas a cabo por Nordea Suecia serán tratadas como si hubieran sido efectuadas por Nordea Finlandia. Nordea Finlandia cambiará su denominación social a Nordea Bank Abp, con anterioridad o en la Fecha de Cierre. Nordea Finlandia obtendrá formalmente, a través de la Fusión, los nombres, denominaciones accesorias y auxiliares, así como sus traducciones, de las sucursales de Nordea Suecia. No obstante, una vez ejecutada la Fusión, los nombres de las nuevas sucursales de Nordea Finlandia en Suecia y, entre otros países, Dinamarca y Noruega, así como en Estonia, China, Polonia, Singapur, el Reino Unido, Alemania y los Estados Unidos de América (en conjunto, las</p>

Sección E – Oferta

Elemento	Requerimiento de información	Información
		<p>“Jurisdicciones Relevantes”) serán actualizados para reflejar la nueva denominación de la sociedad matriz.</p> <p>En virtud de la legislación sueca, los accionistas de la sociedad absorbente no tienen derecho a solicitar en junta general que sus acciones sean amortizadas. En consecuencia, y al contrario que lo previsto en la legislación finlandesa, los accionistas que en la Junta General se opongan a la Fusión no tendrán el derecho a solicitar que se amorticen sus acciones. Los accionistas que no quieran recibir en canje de sus acciones las de Nordea Finlandia como contraprestación por la Fusión deberán vender sus acciones con anterioridad al o el 28 de septiembre de 2018.</p> <p>Si el Proyecto de Fusión es aprobado por la Junta General de Nordea Suecia, los accionistas de Nordea Suecia que deseen ser accionistas de Nordea Finlandia como consecuencia de la Fusión no tendrán que realizar ninguna acción una vez esta se lleve a cabo.</p>
E.4	Intereses significativos para la emisión, incluidos los que originen un conflicto de interés	No aplicable.
E.5	Nombre de la persona o de la entidad que se ofrece a vender el valor	No aplicable.
	Acuerdos de no disposición (en inglés: <i>lock-up agreements</i>)	No aplicable.
E.6	Dilución	No aplicable.
E.7	Gastos estimados asumidos por el inversor	No aplicable. Nordea Finlandia no cobrará ningún gasto relacionado con la Fusión directamente a los inversores.

**CURRENT ARTICLES OF ASSOCIATION OF NORDEA FINLAND
(UNOFFICIAL ENGLISH TRANSLATION)**

1 § Trade name and registered office

The trade name of the company is Nordea Holding Abp, in Finnish Nordea Holding Oyj.

The company shall have its registered office in Helsinki.

2 § Field of operations

The company operates in the investment and finance sectors. The company may also own and administer securities, trade in securities and manage and divest real property for its own account.

3 § The board of directors

The board of directors is responsible for the management of the company and that the company's operations are adequately organised and shall represent the company.

The board of directors shall consist of no less than three (3) and no more than fifteen (15) members. A chair and deputy chair are elected by the board of directors. The board members are elected for the period until the end of the first annual general meeting held after the election of the board members.

The board of directors gives the individual board members and the managing director their rights to act and represent the company and shall set out the distribution of tasks between them in rules of procedure adopted by the board of directors.

4 § Managing Director

The company shall have one Managing Director.

5 § Financial year

The financial year of the company is the calendar year.

6 § Auditors

The Company shall have one audit firm as auditor, whose chief auditor is to be approved by the Finland Chamber of Commerce (Sw: *Centralhandelskammaren*). The assignment as auditor will continue until the end of the first annual general meeting held after the election of the auditor.

7 § Right to represent the company

Any two members of the board of directors or the managing director are authorised to jointly represent the company.

The board of directors may, in addition hereto, authorise designated individuals to represent the company, either two jointly, or together with the managing director or any board member.

8 § Notice of shareholders' meeting

A notice convening a shareholders' meeting shall be sent to the shareholders at the earliest six (6) weeks and at the latest one (1) week before the meeting.

9 § Annual General Meeting

At the Annual General Meeting, which is to be held before the end of May, the following matters shall be presented:

1. the financial statements, the group's consolidated accounts and the director's report;
2. the auditor's report;

be resolved on:

3. adoption of the financial statements and the consolidated financial statements;
4. appropriation of the company's results in accordance with the adopted balance sheet and consolidated balance sheet;

5. discharge from liability of the members of the board of directors and the managing director;
6. determination of fees to the board members and the auditor;
7. determination of the number of board members;

be elected:

8. the board of directors;
9. the auditor;

and be dealt with:

10. other matters set out in the notice to the shareholders' meeting.

ANNEX H

**ARTICLES OF ASSOCIATION OF NORDEA FINLAND FOLLOWING RECEIPT OF A CREDIT
INSTITUTION LICENCE (UNOFFICIAL ENGLISH TRANSLATION)**

§ 1 Trade Name of the Company

The trade name of the company is Nordea Bank Abp and in Finnish Nordea Bank Oyj.

§ 2 Domicile of the Company

The domicile of the company is Helsinki.

§ 3 Field of Business

As a commercial bank, the company engages in business activities that are permitted to a deposit bank pursuant to the Finnish Act on Credit Institutions. The company provides investment services and performs investment activities pursuant to the Finnish Act on Investment Services. Further, in its capacity as parent company, the company attends to and is responsible for overall functions in the group, such as management, supervision, risk management and staff functions.

§ 4 Board of Directors

The board of directors is responsible for the company's administration and ensuring that its business activities are expediently organised. The board of directors also represents the company.

The board of directors consists of at least six and not more than fifteen members. The term of office for the members of the board of directors expires at the end of the annual general meeting following the election.

§ 5 Managing Director

The company has a managing director and a deputy for the managing director.

§ 6 Financial Period

The financial period of the company coincides with the calendar year.

§ 7 Auditors

The company has an auditor that shall be an audit firm the responsible auditor of which shall be an auditor approved by the Auditing Board of the Central Chamber of Commerce. The term of office for the auditor expires at the end of the annual general meeting following the election.

§ 8 Right to Represent the Company

Members of the board of directors and the managing director have right to represent the company two together.

In addition, the board of directors can authorise named persons to represent the company, either two together or each severally together with the managing director or a member of the board of directors.

§ 9 Notice of General Meetings

The notice to convene a general meeting must be issued to shareholders at the company's website not earlier than three (3) months prior to the meeting and not later than three (3) weeks prior to the meeting, however, always not later than nine (9) days prior to the record date of the general meeting.

§ 10 Participation in the General Meeting

In order to be able to participate in a general meeting, a shareholder must inform the company by the specific date stated in the notice of the meeting. This date may be a maximum of ten days prior to the general meeting.

The board of directors can decide that the participation in a general meeting may take place by post or telecommunications or other technical means.

§ 11 Annual General Meeting

At an annual general meeting, which shall be held annually before the end of May, the following shall be presented:

1. the financial statements and the consolidated financial statements as well as the report by the board of directors;
2. auditor's report;

decided:

3. on the adoption of the financial statements and the consolidated financial statements;
4. on the use of the profit indicated in the balance sheet and the consolidated balance sheet;
5. on discharging the members of the board of directors and the managing director from personal liability;
6. on remuneration for members of the board of directors and the auditor;
7. on the number of members of the board of directors;

elected:

8. members of the board of directors;
9. auditor;

as well as attended to:

10. other issues mentioned in the notice of the meeting.

§ 12 Book Entry Securities System

The shares in the company belong to the book entry securities system.

**ARTICLES OF ASSOCIATION OF NORDEA SWEDEN
(UNOFFICIAL ENGLISH TRANSLATION)**

§ 1

The name of the company is Nordea Bank AB. The company is a public company (publ).

§ 2

The registered office of the company is situated in Stockholm.

§ 3

The object of the company is to conduct such banking business referred to in Chapter 1 section 3 of the Swedish Banking and Financing Business Act (SFS 2004:297). This provision states that banking business means business which includes:

1. payment services via general payment systems; and
2. receipt of funds which, following notice of termination, are available to the creditor within a maximum of 30 days.

The object of the company is further to conduct financing operations and operations naturally connected therewith in accordance with Chapter 7 section 1 of the Swedish Banking and Financing Business Act. According to these provisions the company may, in its operations, *inter alia*:

1. borrow funds, for example by accepting deposits from the general public or issuing bonds or other comparable debt instruments;
2. grant and broker loans, for example in the form of consumer credit and loans secured by charges over real property or claims;
3. participate in financing, for example by acquiring claims and leasing property;
4. negotiate payments;
5. provide means of payment;
6. issue guarantees and assume similar obligations;
7. participate in the issuance of securities;
8. provide financial advice;
9. hold securities in safekeeping;
10. conduct letters of credit operations;
11. provide bank safety deposit services;
12. engage in currency trading;
13. engage in securities operations subject to the conditions prescribed in the Swedish Securities Market Act (SFS 2007:528); and
14. provide credit information subject to the conditions prescribed in the Swedish Credit Information Act (SFS 1973:1173).

Further, in its capacity as parent company, the company attends to and is responsible for overall functions in the group, such as management, supervision, risk management and staff functions.

§ 4

The company's accounting currency is the euro and the share capital is denominated in euro.

§ 5

The company's share capital is not less than 2,700,000,000 euro and not more than 10,800,000,000 euro.

§ 6

The number of shares is not less than 2,700,000,000 and not more than 10,800,000,000.

Shares may be issued in two classes, Ordinary shares and C-shares. Ordinary shares may be issued up to a maximum amount of 10,800,000,000 and C-shares may be issued up to a maximum amount of 10,000,000.

In voting at a general meeting, each of the Ordinary shares confers one vote and each of the C-shares one tenth of one vote. C-shares do not entitle to any dividend.

If the company decides to issue new Ordinary shares and C-shares, through a cash issue or an issue against payment through set-off of claims, each owner of Ordinary shares and C-shares has a pre-emptive right to subscribe for new shares of the same type in proportion to the number of existing shares that the shareholder owns (primary pre-emptive rights). Shares not subscribed through primary pre-emptive rights must be offered for subscription to all shareholders (subsidiary pre-emptive rights). If the number of shares so offered is less than the number subscribed through subsidiary pre-emptive rights, the shares must be distributed among the subscribers in proportion to the number of existing shares they own or, to the extent that is not possible, by lot.

If the company decides to issue new shares, through a cash issue or an issue against payment through set-off of claims, of either Ordinary shares or C-shares only, all shareholders, regardless of whether their shares are Ordinary shares or C-shares, are entitled to pre-emptive rights to subscribe for the new shares in proportion to the number of existing shares they own.

If the company decides to issue warrants or convertibles through a cash issue or an issue against payment through set-off of claims, the shareholders have pre-emptive rights to subscribe for warrants as if the issue concerned the shares that may be subscribed to pursuant to the warrant, and respectively, pre-emptive rights to subscribe for convertibles as if the issue concerned the shares that the convertibles may be converted to.

The above conditions will not restrict in any way the possibility of deciding on a cash issue or an issue against payment through set-off of claims, entailing exceptions to the shareholders' pre-emptive rights.

In the case of an increase in share capital through a bonus issue, new shares of each class will be issued in proportion to the number of shares of the same class previously on issue. In such case, existing shares of each class entitle the holder to new shares of the same class. The aforesaid will not restrict in any way the possibility of issuing shares of a new class through a bonus issue after the requisite changes have been made in the articles of association.

The company's board of directors is entitled to adopt a resolution with respect to a reduction of the share capital through redemption of all C-shares. In conjunction with the adoption of a resolution regarding redemption, holders of C-shares are under an obligation to redeem their shares for an amount equal to the quotient value of the shares, indexed for each day of redemption carrying an interest factor of Euribor for the relevant period supplemented by 1.00 percentage units, calculated from the day when payment of the subscription amount was made. Euribor for the relevant period is determined on the day of payment of the subscription amount. Payment of the redemption amount will be made as early as possible after registration of the reduction of the share capital.

C-shares that are held by the company may, following a decision from the company's board of directors, be converted to Ordinary shares. The conversion will be notified without delay for registration and will be effected upon registration.

§ 7

The board of directors consists of at least six and not more than fifteen members. The board members are elected at the general meeting for the period until the end of the first annual general meeting that is held after the year when the board member was elected.

When electing the board of directors, the aim is to ensure that the board of directors as a whole for the purpose of its work possesses the requisite knowledge of and experience in the social, business and cultural conditions of the regions and markets in which the main activities of the Group are carried out.

Each year, after the annual general meeting, the board of directors adopts special rules of procedures governing its work.

§ 8

One or two auditors must be elected by the general meeting for examination of the company's annual report and accounts and the administration of the board of directors and the managing director. The assignment as auditor will continue until the end of the first annual general meeting that is held after the year when the auditor was elected.

§ 9

The annual general meeting is held in Stockholm before the end of June.

§ 10

Notice of a general meeting must be given by advertisement in the Swedish Official Gazette and on the company's web site. That the notice has been given must be advertised in Dagens Nyheter.

Notice of an annual general meeting and notice of an extraordinary general meeting where amendments to the articles of association are dealt with must be given not earlier than six weeks and not later than four weeks prior to the general meeting. Notice of other extraordinary general meetings must be given not earlier than six weeks and not later than three weeks prior to the general meeting.

In order to participate in a general meeting, shareholders must be recorded in a printout or other description of the entire share register relating to the circumstances five business days prior to the general meeting and give notification to the company not later than on the day specified in the notice. This day must not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not occur earlier than the fifth weekday prior to the general meeting.

Shareholders, or proxies for shareholders, may bring a maximum of two advisors to a general meeting. Advisors may be brought to a general meeting only if the shareholder has notified the company in advance as to the number of advisors. Such notification must be given at the latest when notification of shareholders' participation in the general meeting is to be made.

§ 11

The board of directors may collect proxies according to the procedure set out in Chapter 7 section 4 second paragraph of the Swedish Companies Act.

The board of directors may before a general meeting decide that the shareholders shall be able to exercise its right to vote by post.

§ 12

At the general meeting matters are decided by open vote, unless the general meeting decides on a closed ballot. At a general meeting each shareholder is entitled to vote the full number of shares that he or she owns or represents.

§ 13

The following matters must be addressed at the annual general meeting:

1. Election of chairman of the general meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of at least one minutes checker.
5. Determination whether the general meeting has been duly convened.
6. Submission of the annual report and consolidated accounts, and presentation of the audit report and the group audit report.
7. Adoption of the income statement and the consolidated income statement, and the balance sheet and the consolidated balance sheet.
8. Decision on the distribution of the company's profit or loss according to the adopted balance sheet.
9. Decision regarding discharge from liability for the board of directors and the managing director.
10. Determination of the number of board members.
11. Determination of the number of auditors.
12. Determination of fees to the members of the board of directors and auditors' fees.

13. Election of board of directors.
14. Election of auditors.
15. Other matters to be addressed by the general meeting in accordance with Swedish law or the articles of association.

§ 14

The financial year of the company is the calendar year.

§ 15

The company's shares are registered in a CSD (central securities depository) register pursuant to the Swedish Financial Instruments Registration Act (SFS 1998:1479).

Articles of association were approved at the annual general meeting
on 24 March 2011.

MERGER PLAN

Fusionsplan

avseende fusionen mellan

Nordea Bank AB (publ)

och

Nordea Holding Abp

Merger plan

regarding the merger between

Nordea Bank AB (publ)

and

Nordea Holding Abp

Sulautumissuunnitelma

koskien sulautumista seuraavien osapuolten välillä

Nordea Bank AB (publ)

ja

Nordea Holding Oyj

Bilagor	Appendices	Läitteet
1	Förteckning över det Överlåtande Bolagets och dess filialers bifirmor	1 Lista Sulautuvan Yhtiön ja sen sivuliikkeiden aputoiminimistö ja käännoöksistä
2	Bolagsordning för det Övertagande Bolaget	2 Vastaanottavan Yhtiön yhtiöjärjestys
3	Utredning om det Överlåtande Bolagets tillgångar, skulder och eget kapital	3 Selvitys Sulautuvan Yhtiön varoista, veloista ja omasta pääomasta
4	Kopia av det Överlåtande Bolagets årsredovisning för räkenskapsåret 2014	4 Kopia Sulautuvan Yhtiön vuoden 2014 tilinpäätöksestä
5	Kopia av det Överlåtande Bolagets årsredovisning för räkenskapsåret 2015	5 Kopia Sulautuvan Yhtiön vuoden 2015 tilinpäätöksestä
6	Kopia av det Överlåtande Bolagets årsredovisning för räkenskapsåret 2016	6 Kopia Sulautuvan Yhtiön vuoden 2016 tilinpäätöksestä
7	Kopia av det Överlåtande Bolagets delårsrapport för perioden 1 januari–30 juni 2017	7 Kopia Sulautuvan Yhtiön osavuositarkastuksesta ajalta 1. tammikuuta–30. kesäkuuta 2017
8	Kopia av det Överlåtande Bolagets delårsrapport för perioden 1 januari–30 september 2017	8 Kopia Sulautuvan Yhtiön osavuositarkastuksesta ajalta 1. tammikuuta–30. syyskuuta 2017
9	Yttrande från Öhrlings PricewaterhouseCoopers AB	9 Öhrlings PricewaterhouseCoopers AB:n lausunto
10	Yttrande från PricewaterhouseCoopers Oy	10 PricewaterhouseCoopers Oy:n lausunto

1. Deltagande bolag	1. Participating companies	1. Osallistuvat yhtiöt
1.1 Övertagande bolag	1.1 Transferee company	1.1 Vastaanottava yhtiö
Firma:	Name:	Toiminimi:
Nordea Holding Abp ("Övertagande Bolag")	Nordea Holding Abp (the "Transferor Company")	Nordea Holding Oyj ("Vastaanottava Yhtiö")
Organisations-nummer:	Registration number:	Rekisterinumero:
2858394-9	2858394-9	2858394-9
Bolagsform:	Company form:	Yhtiömuoto:
Publikt aktiebolag	Public limited company	Julkinen osakeyhtiö
Registrerad adress:	Registered address:	Rekisteröity osoite:
Hambanegatan 5, FI-00020 NORDEA, Finland	Satamaradankatu 5, FI-00020 NORDEA, Finland	Satamaradankatu 5, 00020 NORDEA, Suomi
Säte:	Registered office:	Kotipaikka:
Helsingfors, Finland	Helsinki, Finland	Helsinki, Suomi
Registreringsmyndighet:	Registration authority:	Rekisteriviran- ja rekisterihallitus, Arkadiankatu 6 A (PL 1140), 00100 Helsinki, Suomi ("PRH") ¹
Patent- och registerstyrelsen, Arkadiagatan 6 A (PB 1140), FI-00100 Helsingfors, Finland ("PRS") ¹	Finnish Patent and Registration Office, Arkadiankatu 6 A (P.O. Box 1140), FI-00100 Helsinki, Finland ("FCRO") ¹	Patent- ja rekisterihallitus, Arkadiankatu 6 A (PL 1140), 00100 Helsinki, Suomi ("PRH") ¹
1.2 Överlåtande bolag	1.2 Transferor company	1.2 Sulautuva yhtiö
Firma:	Name:	Toiminimi:
Nordea Bank AB (publ) ("Överlåtande Bolag")	Nordea Bank AB (publ) ("Transferor Company")	Nordea Bank AB (publ) ("Sulautuva Yhtiö")
Bifirmor och översättningar:	Auxiliary names and translations:	Aputoimi-nimet ja käännökset:
	Appendix 1	Lite 1

¹ Från den 11 december 2017 kommer PRS:s postadress att vara 00091 PRS, Finland och besöksadress Sörmäs strandväg 13 C, 00530 Helsingfors, Finland.
As from 11 December 2017, the FCRO's postal address will be 00091 PRH, Finland and visiting address Sörmäisten rantatie 13 C (Sw. *Sörmäs strandväg 13 C*), 00530 Helsinki, Finland.
11. joulukuuta 2017 alkaen PRH:n postiosoite tulee olemaan 00091 PRH, Suomi ja käyntiosoite Sörmäisten rantatie 13 C, 00530 Helsinki, Suomi.

Organisations-nummer:	516406-0120	Registration number:	516406-0120	Rekisterinumero:	516406-0120
Bolagsform:	Publikt bankaktiebolag	Company form:	Public company	Yhtiömuoto:	Julkinen pankkiosakeyhtiö
Registrerad adress:	105 71 Stockholm, Sverige	Registered address:	SE-105 71 Stockholm, Sweden	Rekisteröty osoite:	SE-105 71 Tukholma, Ruotsi
Säte:	Stockholm, Sverige	Registered office:	Stockholm, Sweden	Kotipaikka:	Tukholma, Ruotsi
Registreringsmyndighet:	Bolagsverket, Sundsvall, Sverige	Registration authority:	Bolagsverket, SE-851 81 Sundsvall, Sweden (the "SCRO")	Rekisteriviranomainen:	Bolagsverket, SE-851 81 Sundsvall, Sverige ("SCRO")
1.3	Det Övertagande Bolaget och det Överlåtande Bolaget benämns nedan gemensamt de "Fusionerande Bolagen".	1.3	The Transferee Company and the Transferor Company are below jointly referred to as the "Merging Companies".	1.3	Jäljempänä Sulautuvaan Yhtiöön on yhdessä viitattu termillä "Sulautumiseen Osallistuvat Yhtiöt".
1.4	Det Övertagande Bolaget kommer att ändra sin firma till Nordea Bank Abp senast på dagen för Fusionens (enligt definitionen nedan) verkställande. Det Övertagande Bolaget kommer, genom Fusionen, formellt sett att överta det Överlåtande Bolagets och dess filialers firmor och parallellfirmor, samt dess bifirmor och översättningar därav, i enlighet med vad som anges i Bilaga 1. Det Överlåtande Bolagets och dess filialers relevanta firmor, i enlighet med vad som anges i Bilaga 1, kommer dock att allokeras till Filialerna (enligt definitionen nedan) omedelbart i och med verkställandet av Fusionen och registreras i relevanta aktiebolagsregister.	1.4	The Transferee Company will change its name to Nordea Bank Abp not later than on the day of the execution of the Merger (as defined below). The Transferee Company will, by way of the Merger, formally obtain the Transferor Company's and its branches' names and parallel names, as well as auxiliary names and translations thereof, as set out in Appendix 1. However, the relevant names of the Transferor Company and its branches, as set out in Appendix 1, will be allocated to the Branches (as defined below) immediately upon the execution of the Merger and be registered in the relevant companies registers.	1.4	Vastaanottava Yhtiö muuttaa nimensä Nordea Bank Oyj:ksi viimeistään Sulautumisen (kuten määritelty jäljempänä) täytäntöönpanopäivänä. Vastaanottava Yhtiö tulee Sulautumisen myötä muodollisesti hankkimaan Sulautuvan Yhtiön ja sen sivuliikkeiden toiminimet ja rinnakkaisnimitykset sekä apunimitykset ja niiden käännökset, kuten Liitteessä 1 on esitetty. Sulautuvan Yhtiön ja sen sivuliikkeiden relevantit nimet, siten kuin Liitteessä 1 on esitetty, tullaan kuitenkin allokoimaan Sivuliikkeille (kuten määritelty jäljempänä) välittömästi Sulautumisen täytäntöönpanon myötä ja rekisteröimään asiaankuuluviin kaupparekistereihin.
2.	Huvudragen i Fusionen	2.	Main features of the Merger	2.	Sulautuminen pääpiirteittäin
2.1	Det Överlåtande Bolaget är moderbolag i Nordeaconcernen och bedriver bl.a. bankrörelse och värdepappersrörelse utöver i Sverige, i bl.a. Danmark, Finland och Norge samt Estland, Kina, Polen, Singapore, Storbritannien,	2.1	The Transferor Company is the parent company of the Nordea Group and conducts, among other services, banking business and investment services, in addition to Sweden, in, among other countries, Denmark, Finland, and Norway as	2.1	Sulautuva Yhtiö on Nordea-konsernin emoyhtiö, joka harjoittaa muiden muassa pankkitoimintaa ja sijoituspalvelutoimintaa Ruotsin lisäksi muiden muassa Tanskassa, Suomessa ja Norjassa sekä Virossa, Kiinassa, Puolassa,

Tyskland och USA (tillsammans de ”**Relevanta Jurisdiktionerna**”) genom filialer. Det Övertagande Bolaget äger samtliga aktier i det Övertagande Bolaget. Det Övertagande Bolaget är ett för Fusionen särskilt nybildat bolag som senast vid tidpunkten för verkställandet av Fusionen kommer att ha tillstånd att bedriva bankrörelse och värdepappersrörelse i Finland samt avses även inneha sådant tillstånd i övriga jurisdiktioner i vilka det Övertagande Bolaget i dagsläget bedriver sådan verksamhet genom filialer samt i Sverige.

2.2 I enlighet med vad som närmare beskrivs i denna fusionsplan ska det Övertagande Bolaget överta det Övertagande Bolagets tillgångar och skulder genom en gränsöverskridande omvänd fusion i form av absorption (”**Fusionen**”) enligt bestämmelserna i 16 kap. 19–28 §§ finska aktiebolagslagen (21.7.2006/624) (”**FABL**”) (med vidare hänvisningar) och, i tillämpliga delar, 2 kap. finska lagen om affärsbanker och andra kreditinstitut i aktiebolagsform (28.12.2001/1501) (”**affärsbankslagen**”) (med vidare hänvisningar) samt 23 kap. 36 § svenska aktiebolagslagen (2005:551) (”**SABL**”) (med vidare hänvisningar) och 10 kap. 18–25 b §§ svenska lagen (2004:297) om bank- och finansieringsrörelse.

2.3 De uppgifter om det Övertagande Bolaget som anges i punkt 1.1 ovan kommer inte att ändras till följd av Fusionen annat än att dess firma kommer att ändras till Nordea Bank Abp vid erhållandet av tillstånd att bedriva bank- och värdepappersrörelse samt att dess bifirmor, parallellfirmor och översättningar därav kommer

well as Estonia, China, Poland, Singapore, the United Kingdom, Germany and the USA (jointly the ”**Relevant Jurisdictions**”), through branches. The Transferor Company owns all shares of the Transferee Company. The Transferee Company is a company specifically established for the Merger that will be licensed to conduct banking business and investment services in Finland and is also intended to hold such licence in other jurisdictions in which the Transferor Company currently conducts such operations through branches as well as in Sweden upon the execution of the Merger, at the latest.

2.2 As further detailed in this merger plan, the assets and liabilities of the Transferor Company shall be transferred to the Transferee Company through a cross-border reversed merger by way of absorption (the ”**Merger**”) pursuant to the provisions of Chapter 16, Sections 19–28 of the Finnish Companies Act (21.7.2006/624) (the ”**FCA**”) (with further references) and, as applicable, Chapter 2 of the Finnish Act on Commercial Banks and Other Credit Institutions in the Form of a Limited Company (28.12.2001/1501) (the ”**Commercial Banking Act**”) (with further references) as well as Chapter 23, Section 36 of the Swedish Companies Act (SFS 2005:551) (the ”**SCA**”) (with further references) and Chapter 10, Sections 18–25 b of the Swedish Banking and Financing Business Act (SFS 2004:297).

2.3 The information set forth in Section 1.1 above regarding the Transferee Company will not change as a result of the Merger with the exception that its trade name will be changed to Nordea Bank Abp upon granting of the licence to conduct banking business and investment services and that its auxiliary names, parallel

Singaporessa, Iossa-Britanniassa, Saksassa ja Amerikan Yhdysvalloissa (yhdessä ”**Relevantit Maat**”) sivuliikkeidensä kautta. Sulautuva Yhtiö omistaa kaikki Vastaanottavan Yhtiön osakkeet. Vastaanottava Yhtiö on yhtiö, joka on perustettu nimenomaisesti Sulautumista varten ja jolla tulee olemaan toimilupa pankki- ja sijoituspalvelutoimintaan Suomessa ja sillä on myös tarkoitus olla vastaava lupa muissa maissa, joissa Sulautuva Yhtiö tällä hetkellä harjoittaa vastaavaa toimintaa sivuliikkeiden kautta sekä Ruotsissa viimeistään Sulautumisen täytäntöönpanon yhteydessä.

2.2 Siten kuin tässä sulautumissuunnitelmassa on tarkemmin esitetty, Sulautuvan Yhtiön varat ja velat siirtyvät Vastaanottavalle Yhtiölle rajat ylittäväällä vastavirtaan toteutettavalla absorptiosulautumisella (”**Sulautuminen**”), joka toteutetaan seuraavien säädösten mukaisesti: Suomen osakeyhtiölain (21.7.2006/624) (”**SOYL**”) 16 luvun 19–28 §:t (viittaukseen) ja Suomen liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista annetun lain (28.12.2001/1501) (”**liikepankilaki**”) sekä 2 luku soveltuvin osin (viittaukseen) sekä Ruotsin osakeyhtiölain (SFS 2005:551) (”**ROYL**”) 23 luvun 36 § (viittaukseen) ja Ruotsin pankki- ja rahoitustoiminnasta annetun lain (SFS 2004:297) 10 luvun 18–25 b §:t.

2.3 Vastaanottavasta Yhtiöstä edellä kohdassa 1.1 esitetyt tiedot eivät muutu Sulautumisen seurauksena, lukuun ottamatta sitä, että sen toimiminen muutetaan Nordea Bank Oyj:ksi luottolaitos- ja sijoituspalvelutoimiluvan myöntämisen yhteydessä ja että sen aputoiminimet, rinnakkaistoiminimet ja niiden

att ändras till följd av Fusionen i enlighet med vad som anges i Bilaga 1. Det sammanslagna bolaget efter Fusionen benämns nedan det ”**Fusionerade Bolaget**”.

2.4 Fusionen kommer att verkställas när PRS har registrerat Fusionen i det finska handelsregistret enligt 16 kap. 25 § FABL, varigenom rättsverkningarna av Fusionen inträder enligt 16 kap. 27 § 1 mom. FABL samt 23 kap. 49 § första stycket SABL. Denna tidpunkt förväntas infalla den 1 oktober 2018. Vid samma tidpunkt kommer aktieägarna i det Överlåtande Bolaget att bli aktieägare i det Övertagande Bolaget. Vid registrering av Fusionen i det finska handelsregistret upplöses det Överlåtande Bolaget.

2.5 Efter det att Bolagsverket har mottagit underrättelse från PRS att Fusionen har trätt i kraft i Finland, ska Bolagsverket avregistrera det Överlåtande Bolaget från det svenska aktiebolagsregistret.

2.6 Eftersom det Överlåtande Bolaget äger samtliga aktier i det Övertagande Bolaget, kommer fusionsvederlaget till aktieägarna i det Överlåtande Bolaget att utgöras av aktier i det Övertagande Bolaget. Då det Övertagande Bolaget avses bli det nya moderbolaget i Nordeakoncernen, har fusionsvederlaget bestämts med syfte att återspegla den rådande ägarstrukturen i det Överlåtande Bolaget.

3. Syftet med Fusionen

3.1 Den analys som det Överlåtande Bolaget har genomfört har utvisat att det Överlåtande

names and translations thereof will be changed as a result of the Merger as set out in Appendix 1. The merged company following the Merger is below referred to as the “**Merged Company**”.

2.4 The Merger will be executed when the FCRO has registered the Merger in the Finnish Trade Register pursuant to Chapter 16, Section 25 of the FCA, whereby the legal consequences of the Merger enter into force pursuant to Chapter 16, Section 27, first paragraph of the FCA and Chapter 23, Section 49, first paragraph of the SCA. This date is expected to occur on 1 October 2018. At the same time, the shareholders of the Transferor Company will become shareholders of the Transferee Company. Upon the registration of the Merger in the Finnish Trade Register, the Transferor Company is dissolved.

2.5 After the SCRO has received notice from the FCRO that the Merger has entered into force in Finland, the SCRO shall de-register the Transferor Company from the Swedish Companies Register.

2.6 As the Transferor Company holds all shares of the Transferee Company, the merger consideration to the shareholders of the Transferor Company will be made up of shares of the Transferee Company. As the Transferee Company is intended to become the new parent company of the Nordea Group, the merger consideration has been determined with the objective to reflect the current ownership structure of the Transferor Company.

3. Objective of the Merger

3.1 The analysis conducted by the Transferor Company has shown that the Transferor

käännökset muutetaan Sulautumisen seurauksena, siten kuin Liitteessä 1 esitetään. Sulautumisen jälkeisestä yhdistyneestä yhtiöstä käytetään jäljempänä nimitystä ”**Sulautunut Yhtiö**”.

2.4 Sulautuminen pannaan täytäntöön, kun PRH on rekisteröinyt Sulautumisen Suomen kaupparekisteriin SOYL 16 luvun 25 §:n mukaisesti, mikä seurauksena Sulautumisen oikeusvaikutukset tulevat voimaan SOYL 16 luvun 27 §:n 1 momentin ja ROYL 23 luvun 49 §:n 1 momentin mukaisesti. Tämän ennakoidaan tapahtuvan 1. lokakuuta 2018. Samalla hetkellä Sulautuvan Yhtiön osakkeenomistajista tulee Vastaanottavan Yhtiön osakkeenomistajia. Sulautuva Yhtiö purkautuu Suomen kaupparekisteriin tehtävän Sulautumisen rekisteröinnin myötä.

2.5 Saatuaan PRH:lta ilmoituksen, että Sulautuminen on tullut voimaan Suomessa, SCRO poistaa Sulautuvan Yhtiön Ruotsin yhtiörekisteristä.

2.6 Koska Sulautuva Yhtiö omistaa kaikki Vastaanottavan Yhtiön osakkeet, sulautumisvastikkeena Sulautuvan Yhtiön osakkeenomistajille annetaan Vastaanottavan Yhtiön osakkeita. Koska Vastaanottavasta Yhtiöstä on tarkoitus tulla Nordea-konsernin uusi emoyhtiö, sulautumisvastike on määritetty siten, että sen tarkoituksena on vastata nykyistä omistusrakennetta Sulautuvassa Yhtiössä.

3. Sulautumisen tarkoitus

3.1 Sulautuvan Yhtiön toteuttama tarkastelu on osoittanut, että olemassa olevat kansalliset

Bolagets unika nordiska och internationella struktur innebär att de befintliga nationella regelverken inte har varit helt ändamålsenliga för det Överlåtande Bolagets verksamhetsmodell och dess senaste strategiska utveckling. Med det Fusionerade Bolagets säte i ett land som är medlem i EU:s bankunion kommer det Fusionerade Bolaget att omfattas av liknande regelverk som andra jämförbara europeiska banker, med en mer konsekvent regeltillämpning och därmed mer jämlika förutsättningar. Detta förutses främja kunder, aktieägares och medarbetares intressen. Som en följd av Fusionen kommer det Övertagande Bolaget att bli det nya moderbolaget i Nordea-koncernen. Därigenom kommer Nordeakoncernens säte att flyttas till Helsingfors, Finland.

3.2 Efter verkställandet av Fusionen kommer det Överlåtande Bolagets verksamhet, i den utsträckning den härrör från Sverige, att bedrivas av det Fusionerade Bolaget genom en filial i Sverige med föreslagen firma Nordea Bank Abp, filial i Sverige (den ”**Svenska Filialen**”). På samma sätt avses det Överlåtande Bolagets verksamhet, i den utsträckning den härrör från de Relevanta Jurisdiktionerna, att bedrivas av det Fusionerade Bolaget genom nya filialer i var och en av de Relevanta Jurisdiktionerna (Finland undantaget). Den Svenska Filialen och de nya filialerna i de Relevanta Jurisdiktionerna (Finland undantaget) benämns gemensamt ”**Filialerna**”.

3.3 Efter verkställandet av Fusionen kommer den verksamhet som i dag bedrivs av det Överlåtande Bolaget, i den utsträckning den härrör från Finland, att fortsätta bedrivas av det

Company’s unique pan-Nordic and international structure means that the existing national regulatory frameworks do not fully accommodate the Transferor Company’s operating model and recent strategic developments. Domiciling the Merged Company in a country that is participating in the EU’s banking union, will mean that the Merged Company will be subject to a similar regulatory framework as its European peers, with a greater consistency of the application of laws and regulations and therefore more of a level playing field. This is expected to promote the interests of customers, shareholders and employees. As a result of the Merger, the Transferee Company will be the new parent company of the Nordea Group. Thereby, the Nordea Group’s registered office will be transferred to Helsinki, Finland.

3.2 After the execution of the Merger, the business activities of the Transferor Company will, to the extent they originate from Sweden, be conducted by the Merged Company through a branch in Sweden with the proposed name Nordea Bank Abp, Swedish branch (the “**Swedish Branch**”). Correspondingly, the business activities of the Transferor Company, to the extent they originate from the Relevant Jurisdictions, are intended to be conducted by the Merged Company through new branches in each of the Relevant Jurisdictions (except Finland). The Swedish Branch and the new branches in the Relevant Jurisdictions (except Finland) are jointly referred to as the “**Branches**”.

3.3 After the execution of the Merger, the business activities today conducted by the Transferor Company will, to the extent they originate from Finland, continue to be conducted by the

sääntelykehykset eivät Sulautuvan Yhtiön ainutlaatuisen yhteispohjoismaisen ja kansainvälisen rakenteen vuoksi ole kaikilta osin tarkoituksenmukaisia Sulautuvan Yhtiön liiketoimintamallin ja viimeaikaisen strategisen kehityksen kannalta. Kun Sulautuneen Yhtiön kotipaikka on EU:n pankkiunioniin kuuluvassa valtiossa, Sulautuneeseen Yhtiöön sovelletaan vastaavaa sääntelykehystä kuin muihin vertailukelpoisiin eurooppalaisiin pankkeihin, jolloin lakien ja määräysten soveltaminen on yhdenmukaisempaa ja toimintaedellytykset ovat tasapuolisemmat. Tämän odotetaan olevan niin asiakkaiden, osakkeenomistajien kuin työntekijöidenkin etujen mukaista. Sulautumisen myötä Vastaanottavasta Yhtiöstä tulee Nordea-konsernin uusi emoyhtiö. Nordea-konsernin kotipaikka siirtyy näin ollen Helsinkiin, Suomeen.

3.2 Sulautumisen täytäntöönpanon jälkeen Sulautuvan Yhtiön liiketoimintoja, siinä laajuudessa kuin ne juontuvat Ruotsista, harjoitetaan Sulautuneen Yhtiön toimesta Nordea Bank Abp, filial i Sverige -nimiseksi ehdotetun Ruotsin sivuliikkeen (**”Ruotsin Sivuliike”**) kautta. Vastaavasti Sulautuvan Yhtiön liiketoimintoja, siinä laajuudessa kuin ne juontuvat Relevanteista Maista, tullaan jatkossa harjoittamaan Sulautuneen Yhtiön toimesta uusien sivuliikkeiden kautta Relevanteissa Maissa (pl. Suomi). Ruotsin Sivuliikettä sekä uusia sivuliikkeitä Relevanteissa maissa (pl. Suomi) kutsutaan yhdessä **”Sivuliikkeiksi”**.

3.3 Sulautumisen täytäntöönpanon jälkeen Sulautuvan Yhtiön tällä hetkellä harjoittamia liiketoimintoja, siinä laajuudessa kuin ne juontuvat Suomesta, harjoitetaan jatkossa

Fusionerade Bolaget utan förändringar med anledning av Fusionen. Som en följd av Fusionen kommer Nordea Bank AB (publ), filial i Finland (FO-nummer: 1703218-0) att stängas ned, vilket kommer att användas för registrering i samband med verkställandet av Fusionen. Även det Överlåtande Bolagets övriga filialer kommer att stängas ned som en följd av Fusionen.

4. Fusionsvederlag

4.1 Aktieägarna i det Överlåtande Bolaget ska som fusionsvederlag erhålla en (1) ny aktie i det Övertagande Bolaget för varje aktie som de äger i det Överlåtande Bolaget ("Fusionsvederlaget"). Det innebär att Fusionsvederlaget ska lämnas till aktieägarna i det Överlåtande Bolaget i proportion till deras befintliga aktieinnehav, med ett utbytesförhållande om 1:1. Utbytesförhållandet har bestämts mot bakgrund av att det Övertagande Bolaget är ett helägt dotterbolag till det Överlåtande Bolaget, utan någon egen verksamhet, varför värdet på samtliga aktier i det Övertagande Bolaget efter Fusionen återspeglar värdet på samtliga aktier i det Överlåtande Bolaget. Det har mot ovanstående bakgrund inte förekommit några särskilda svårigheter vid bestämmandet av Fusionsvederlaget.

4.2 Utöver Fusionsvederlaget som kommer att lämnas i form av nya aktier i det Övertagande Bolaget kommer inget annat vederlag att utgå till aktieägarna i det Överlåtande Bolaget.

4.3 Aktierna i det Övertagande Bolaget kommer att vara upptagna till handel på de reglerade marknaderna Nasdaq Stockholm, Nasdaq Helsingfors och Nasdaq Köpenhamn, när Fusionsvederlaget lämnas. I anslutning till detta

Merged Company without any changes due to the Merger. As a result of the Merger, Nordea Bank AB (publ), Finnish branch (business ID 1703218-0) will be closed down, which will be notified for registration in connection with the execution of the Merger. The Transferor Company's other branches will also be closed down as a result of the Merger.

4. Merger consideration

4.1 The shareholders of the Transferor Company shall receive as merger consideration one (1) new share of the Transferee Company for each share owned in the Transferor Company (the "Merger Consideration"). This means that the Merger Consideration shall be issued to the shareholders of the Transferor Company in proportion to their existing shareholding, with an exchange ratio of 1:1. The exchange ratio has been determined against the fact that the Transferee Company is a wholly owned subsidiary of the Transferor Company, without any operations of its own, which means that the value of all shares of the Transferee Company after the Merger reflects the value of all shares of the Transferor Company. In the light of the above, there have been no particular difficulties in determining the Merger Consideration.

4.2 Apart from the Merger Consideration to be issued in the form of new shares of the Transferee Company, no other consideration shall be distributed to the shareholders of the Transferor Company.

4.3 The shares of the Transferee Company will be admitted to trading on the regulated markets Nasdaq Stockholm, Nasdaq Helsinki and Nasdaq Copenhagen when the Merger Consideration is issued. In connection with this,

Sulautuneen Yhtiön toimista, ilman Sulautumisesta johtuvia muutoksia. Sulautumisen seurauksena Nordea Bank AB (publ), Suomen sivuliike (Y-tunnus 1703218-0) lopetetaan, mikä ilmoitetaan rekisteröitäväksi Sulautumisen täytäntöönpanon yhteydessä. Myös muut Sulautuvan Yhtiön sivuliikkeet tullaan lopettamaan Sulautumisen seurauksena.

4. Sulautumisvastike

4.1 Sulautuvan Yhtiön osakkeenomistajat saavat sulautumisvastikkeena yhden (1) Vastaanottavan Yhtiön uuden osakkeen jokaista omistamaansa Sulautuvan Yhtiön Osaketta kohden ("Sulautumisvastike"). Tämä tarkoittaa, että Sulautumisvastike annetaan Sulautuvan Yhtiön osakkeenomistajille heidän osakeomistuksensa mukaisessa suhteessa vaihtosuhteella 1:1. Vaihtosuhte on määritetty sen perusteella, että Vastaanottava Yhtiö on Sulautuvan Yhtiön kokonaan omistama tytäryhtiö, jolla ei ole mitään omia liiketoimintoja, joten kaikkien Vastaanottavan Yhtiön osakkeiden arvo Sulautumisen jälkeen vastaa kaikkien Sulautuvan Yhtiön osakkeiden arvoa. Näin ollen Sulautumisvastikkeeseen määrittämisessä ei ole ollut erityisiä ongelmia.

4.2 Sulautuvan Yhtiön osakkeenomistajille ei anneta muuta vastiketta edellä mainitun Vastaanottavan Yhtiön uusina osakkeina annettavan Sulautumisvastikkeeseen lisäksi.

4.3 Vastaanottavan Yhtiön osakkeet tullaan ottamaan kaupankäynnin kohteeksi säännellyille markkinoille Nasdaq Tukholmaan, Nasdaq Helsinkiin ja Nasdaq Kööpenhaminaan, kun Sulautumisvastike annetaan. Tämän yhteydessä

- kommer handeln i aktierna i det Överlåtande Bolaget på Nasdaq Stockholm och Nasdaq Köpenhamn samt handeln i depåbevisen avseende det Överlåtande Bolagets aktier på Nasdaq Helsingfors att upphöra.
- 4.4 Fusionsvederlaget ska lämnas till dem som är aktieägare i det Överlåtande Bolaget på dagen för Fusionens verkställande.
- 4.5 I den mån inte annat följer av vad som anges nedan ska Fusionsvederlaget lämnas på dagen för Fusionens verkställande eller i nära anslutning till denna dag genom registrering av det antal aktier i det Fusionerade Bolaget som tillkommer varje aktieägare. Registreringen ska ske på aktieägarens eller, om aktierna i det Överlåtande Bolaget är förvaltarregistrerade, förvaltarens avstämningskonto eller motsvarande värdepapperskonto. I anslutning till detta ska ägandet av aktierna i det Fusionerade Bolaget antecknas i bolagets aktieägarförteckning och ska motsvarande aktieinnehav i det Överlåtande Bolaget avregistreras. Om aktierna i det Överlåtande Bolaget är pantsatta vid tidpunkten för lämnandet av Fusionsvederlaget, ska pantsättningen kvarstå och gälla för motsvarande aktier i det Fusionerade Bolaget.
- 4.6 Fusionsvederlaget kommer att lämnas automatiskt, och inga åtgärder krävs av aktieägarna i det Överlåtande Bolaget i förhållande till detta.
- 4.7 Aktierna i det Övertagande Bolaget kommer att medföra förvaltnings- och ekonomiska rättigheter, inklusive rätt till eventuella vinstutdelningar, från tidpunkten när Fusionen träder i kraft. Inga aktier i det Övertagande
- the trading in the shares of the Transferor Company on Nasdaq Stockholm and Nasdaq Copenhagen as well as the trading in the depository receipts regarding the shares of the Transferor Company on Nasdaq Helsinki will cease.
- 4.4 The Merger Consideration shall be issued to those who are shareholders of the Transferor Company on the day of the execution of the Merger.
- 4.5 Unless otherwise is stated below, the Merger Consideration shall be provided on or in close connection with the day of the execution of the Merger by registration of the number of shares in the Merged Company that are attributable to each shareholder. The registration shall be made on the shareholder's or, if the shares of the Transferor Company are registered in the name of a nominee, the nominee's CSD account or a corresponding securities account. In connection with this, the ownership of the shares of the Merged Company shall be recorded in the company's shareholder register and the corresponding shareholding in the Transferor Company be deregistered. Should the shares of the Transferor Company be pledged at the time of the provision of the Merger Consideration, the pledge shall be retained and apply to the corresponding shares of the Merged Company.
- 4.6 The Merger Consideration will be issued automatically, and no actions are required from the shareholders of the Transferor Company in relation thereto.
- 4.7 The shares of the Transferee Company will achieve administrative and financial rights, including a right to potential dividends, as from the time when the Merger enters into force. No shares of the Transferee Company will carry any
- kaupankäynti Sulautuvan Yhtiön osakkeilla Nasdaq Tukholmassa ja Nasdaq Kööpenhaminassa sekä kaupankäynti Sulautuvan Yhtiön osakkeita koskevilla talletustodistuksilla Nasdaq Helsingissä päättyy.
- 4.4 Sulautumisvastike annetaan niille, jotka ovat Sulautuvan Yhtiön osakkeenomistajia Sulautumisen täytäntöönpanopäivänä.
- 4.5 Ellei jäljempänä muuta todeta, Sulautumisvastike annetaan Sulautumisen täytäntöönpanopäivänä tai tämän päivän läheisessä yhteydessä rekisteröimällä kullekin osakkeenomistajalle tulevaa määrää vastaava määrä Sulautuneen Yhtiön osakkeita. Rekisteröinti tapahtuu osakkeenomistajan, tai hallintarekisteröityjä, hallintarekisterin hoitajan arvo-osuustilille tai muulle arvopapereiden säilytystilille. Tämän yhteydessä Sulautunutta Yhtiötä koskeva osakeomistus merkitään yhtiön osakasluetteloon ja vastaava osakeomistus Sulautuvassa Yhtiössä poistetaan rekisteristä. Mikäli Sulautuvan Yhtiön osakkeet on Sulautumisvastikkeeseen antohekellä pantattu, tulee panttaus säilymään ja koskemaan vastaavia Sulautuneen Yhtiön osakkeita.
- 4.6 Sulautumisvastike annetaan automaattisesti eikä se edellytä Sulautuvan Yhtiön osakkeenomistajilta toimenpiteitä.
- 4.7 Vastaanottavan Yhtiön osakkeet tuottavat kaikki hallinnolliset ja taloudelliset oikeudet, mukaan lukien oikeuden mahdollisiin osinkoihin, Sulautumisen voimaantulopäivästä lähtien. Mitkään Vastaanottavan Yhtiön osakkeet eivät

Bolaget kommer att medföra några särskilda rättigheter, och inga åtgärder kommer att vidtas som är till fördel för aktieägaren i det Övertagande Bolaget, då den befintliga aktien i det Övertagande Bolaget kommer att dras in när Fusionen träder i kraft.

5. Det Övertagande Bolagets aktiekapital

Aktiekapitalet i det Övertagande Bolaget kommer att ökas med 4 044 951 919 euro i samband med verkställandet av Fusionen. Efter ökningen är aktiekapitalet i det Övertagande Bolaget 4 049 951 919 euro.

6. Sannolika följder för sysselsättningen

6.1 De Fusionerande Bolagen förväntar sig inte att Fusionen i sig kommer att inverka negativt eller positivt på sysselsättningen, vare sig för det Övertagande Bolagets eller för det Överlåtande Bolagets anställda.

6.2 Från och med det datum Fusionen registreras i det finska handelsregistret kommer det Överlåtande Bolagets arbetstagare att vara anställda av det Fusionerade Bolaget antingen direkt eller genom Filialerna och således fortsätta vara anställda i sina respektive hemländer. Det Överlåtande Bolagets rättigheter och skyldigheter med anledning av de anställningsavtal och anställningsförhållanden som föreligger vid tidpunkten för Fusionens ikraftträdande överförs alltså till det Fusionerade Bolaget. Oaktat detta kan vissa av det Överlåtande Bolagets anställda som utför ledningsuppgifter inom vissa koncernfunktioner i det Överlåtande Bolaget komma att över tid bli anställda av det Fusionerade Bolaget vid det nya

special rights, and no measures will be taken to the advantage of the shareholder of the Transferee Company, as the existing share of the Transferee Company will be cancelled, when the Merger enters into force.

5. Share capital of the Transferee Company

The share capital of the Transferee Company will be increased in an amount of EUR 4,044,951,919 in connection with the execution of the Merger. After the increase, the share capital of the Transferee Company is EUR 4,049,951,919.

6. Likely repercussions of the merger on employment

6.1 The Merging Companies do not expect that the Merger alone will have a negative or positive effect on the employment, either for the Transferee Company's or for the Transferor Company's employees.

6.2 From and including the date of the registration of the Merger in the Finnish Trade Register, the Transferor Company's employees will be employed by the Merged Company either directly or through the Branches and thereby continue to be employed in their current home countries. Thus, the Transferor Company's rights and obligations under the employment agreements and employments in force at the time of the Merger's entering into force will be transferred to the Merged Company. Notwithstanding the foregoing, some of the employees of the Transferor Company who perform managerial tasks within certain group functions in the Transferor Company may over time be employed by the Merged Company at the place of the new head office, i.e., in

anna mitään erityisiä oikeuksia, eikä mitään toimia tehdä Vastaanottavan Yhtiön osakkeenomistajan hyväksi, sillä olemassa oleva Vastaanottavan yhtiön osake tullaan mitätöimään, kun Sulautuminen tulee voimaan.

5. Vastaanottavan Yhtiön osakepääoma

Vastaanottavan Yhtiön osakepääomaa korotetaan 4 044 951 919 eurolla Sulautumisen täytäntönnäpon yhteydessä. Korotuksen jälkeen Vastaanottavan Yhtiön osakepääoma on 4 049 951 919 euroa.

6. Sulautumisen todennäköiset vaikutukset työllisyyteen

6.1 Sulautumiseen Osallistuvat Yhtiöt eivät odota Sulautumisella sellaisenaan olevan negatiivisia tai positiivisia vaikutuksia Vastaanottavan Yhtiön tai Sulautuvan Yhtiön työntekijöiden työllisyyteen.

6.2 Siitä päivästä lähtien, ja kyseinen päivä mukaan lukien, kun Sulautuminen on rekisteröity Suomen kaupparekisteriin, Sulautuvan Yhtiön työntekijät tulevat olemaan Sulautuneen Yhtiön työntekijöitä joko suoraan tai Sivuliikkeiden kautta ja siten jatkavat työntekijöinä nykyisissä kotivaltioissaan. Sulautumisen voimaantulohetkellä voimassaolevien työsopimusten ja työsuhteiden mukaiset Sulautuvan Yhtiön oikeudet ja velvollisuudet siirtyvät näin ollen Sulautuneelle Yhtiölle. Edellä sanotusta huolimatta, tietyt Sulautuvan Yhtiön työntekijät, jotka toimivat johtotehtävissä tietyissä Sulautuvan Yhtiön konsernitiminnoissa, saattavat ajan myötä työllistyä Sulautuneessa Yhtiössä, sen uudessa

huvudkontoret, dvs. i Helsingfors, Finland.

7. Bokföringsmässig genomförandetidpunkt

Fusionen förväntas bli genomförd med bokföringsmässig effekt från och med den 1 oktober 2018, från och med vilket datum det Överlåtande Bolagets rättigheter och skyldigheter samt tillgångar och skulder bokföringsmässigt överförs till det Övertagande Bolaget och det Överlåtande Bolagets transaktioner bokföringsmässigt betraktas som gjorda av det Övertagande Bolaget.

8. Behandling av innehavare av särskilda rättigheter

8.1 Det Överlåtande Bolaget har inga utestående teckningsoptioner, konvertibler eller andra värdepapper som ger innehavare rätt till nya aktier eller andra särskilda rättigheter. Rättigheter i det Övertagande Bolaget behöver således inte säkerställas åt några innehavare av särskilda rättigheter i det Överlåtande Bolaget.

8.2 Det Övertagande Bolaget kommer inte som ett led i Fusionen att emittera aktier eller andra värdepapper som ger innehavarna särskilda rättigheter i det Övertagande Bolaget eller vidta andra åtgärder som gynnar aktieägare eller andra.

9. De Fusionerande Bolagens verksamhet under fusionsförandet

Fusionen ska inte påverka möjligheterna för de Fusionerande Bolagen att fatta beslut om åtgärder utanför den löpande verksamheten som kan påverka deras eget kapital eller antalet aktier. Till undvikande av missförstånd noteras att båda bolagen kan fatta beslut om långtgående åtgärder även under fusionsförandet.

Helsinki, Finland.

7. Merger date for accounting purposes

The Merger is expected to be implemented with effect for accounting purposes as from 1 October 2018, from which date the Transferor Company's rights and obligations as well as its assets and liabilities are transferred for accounting purposes to the Transferee Company and the transactions of the Transferor Company will be treated for accounting purposes as being those of the Transferee Company.

8. Treatment of holders of special rights

8.1 The Transferor Company has no outstanding warrants, convertibles or other securities that give holders rights to new shares or other special rights. Consequently, no holders of special rights in the Transferor Company need to be assured any rights in the Transferee Company.

8.2 The Transferee Company will not as a part of the Merger issue shares or other securities that give holders special rights in the Transferee Company or take other special measures to the benefit of shareholders or others.

9. Operations of the Merging Companies during the merger process

The Merger shall not affect the rights of the Merging Companies to make decisions regarding such arrangements outside the ordinary course of business that might have an effect on their equity or number of shares. For the sake of clarity, it is noted that both companies can make decisions on far-reaching

pääkonttorissa, eli Helsingissä, Suomessa.

7. Toteuttamisajankohhta kirjanpidon kannalta

Sulautumisen toteuttamisajankohta kirjanpidossa odotetaan olevan 1. lokakuuta 2018, mistä alkaen Sulautuvan Yhtiön oikeudet ja velvoitteet sekä varat ja velat katsotaan kirjanpidon kannalta siirretyiksi Vastaanottavalle Yhtiölle ja Sulautuvan Yhtiön liiketoimet katsotaan kirjanpidon kannalta suoritetuiksi Vastaanottavan Yhtiön lukuun.

8. Erityisten oikeuksien haltijoiden kohtelu

8.1 Sulautuva Yhtiö ei ole antanut warrantteja, vaihtovelkakirjalainoja tai muita arvopapereita, jotka oikeuttavat haltijoita saamaan uusia osakkeita tai muita erityisiä oikeuksia. Siten Sulautuvalla Yhtiöllä ei ole erityisten oikeuksien haltijoita, joiden oikeuksia pitäisi turvata Vastaanottavassa Yhtiössä.

8.2 Vastaanottava Yhtiö ei tule Sulautumisen johdosta antamaan osakkeita tai muita arvopapereita erityisillä oikeuksilla Vastaanottavassa Yhtiössä tai tekemään muita erityisiä toimia hyödyttääkseen osakkeenomistajia tai ketään muita.

9. Sulautumisen Osallistuvien Yhtiöiden toiminta sulautumismenettelyn aikana

Sulautuminen ei vaikuta Sulautumiseen Osallistuvien Yhtiöiden oikeuteen päättää muistakin kuin tavanomaiseen liiketoimintaan kuuluvista järjestelyistä, jotka voivat vaikuttaa niiden oman pääoman tai osakkeiden määrään. Selvyyden vuoksi todetaan, että molemmat yhtiöt voivat sulautumisprosessin aikana päättää

arrangements also during the merger process.

10. Arvoden och andra särskilda förmåner

Inget arvode eller annan särskild förmån eller rättighet ska med anledning av Fusionen utgå eller beviljas till någon oberoende expert, revisor, styrelseledamot, medlem av kontroll- eller tillsynsorgan, verkställande direktör eller annan motsvarande befattningshavare i något av de Fusionerande Bolagen, förutom arvode till revisorn enligt räkning för granskningen av fusionsplanen samt erforderliga yttranden och intyg.

10. Fees and other special advantages

No fees or other special advantages or rights shall be payable or granted in connection with the Merger to any independent expert, auditor, board member, member of a control or supervisory body, managing director or other similar executive in any of the Merging Companies, other than fees to the auditor against invoice for the review of the merger plan and necessary statements and certificates.

10. Palkkiot ja muut erityiset edut

Sulautumisen yhteydessä ei makseta tai myönnetä palkkioita tai muita erityisiä etuja tai oikeuksia millekään riippumattomalle asiantuntijalle, tilintarkastajalle, hallituksen jäsenelle, tarkkailu- tai valvontaelimen jäsenelle, toimitusjohtajalle tai muulle vastaavalle johtajalle kummassakaan Sulautumiseen Osallistuvassa Yhtiössä, lukuun ottamatta laskun perusteella maksettavaa tilintarkastajan palkkiota sulautumissuunnitelman tarkastamisesta ja tarvittavista lausunnoista ja todistuksista.

laajakantoisistakin järjestelyistä.

11. Bolagsordning

Det Övertagande Bolagets bolagsordning, i dess lydelse vid tidpunkten för verkställandet av Fusionen, biläggs som **Bilaga 2**. Det Övertagande Bolaget har rätt att ändra sin bolagsordning helt eller delvis i enlighet med Bilaga 2 också före Fusionens verkställande. Under fusionsförfarandet får det Övertagande Bolaget ändra även sådana delar av sin bolagsordning beträffande vilka ändringar inte föreslås i Bilaga 2.

11. Articles of association

The articles of association of the Transferee Company, in their wording as of the date of the execution of the Merger, are attached as **Appendix 2**. The Transferee Company is entitled to amend its articles of association wholly or partly in accordance with Appendix 2 also prior to the execution of the Merger. During the merger process, the Transferee Company may also change such parts of its articles of association to which amendments are not proposed in Appendix 2.

11. Yhtiöjärjestys

Vastaanottavan Yhtiön yhtiöjärjestys, sellaisena kuin se tulee voimaan Sulautumisen täytäntöönpanon yhteydessä on **Liitteenä 2**. Vastaanottavalla Yhtiöllä on oikeus muuttaa yhtiöjärjestystään kokonaan tai osittain Liitteen 2 mukaisesti myös ennen Sulautumisen täytäntöönpanoa. Sulautumismenetelyn aikana Vastaanottava Yhtiö voi myös muuttaa yhtiöjärjestystään niiltä osin, joihin Liitteessä 2 ei ehdoteta muutoksia.

12. Värdering av det Överlåtande Bolagets tillgångar och skulder

En utredning om det Överlåtande Bolagets tillgångar, skulder och eget kapital samt om de omständigheter som påverkar värderingen av dessa, om den inverkan som Fusionen förväntas få på det Övertagande Bolagets balansräkning och om de bokföringsmetoder som ska tillämpas på Fusionen framgår av **Bilaga 3**.

12. Value of assets and liabilities of the Transferor Company

A description of the assets, liabilities and equity of the Transferor Company and of the circumstances that affect the valuation thereof, of the expected effects of the Merger on the balance sheet of the Transferee Company and of the accounting methods that shall be applied to the Merger are set forth in **Appendix 3**.

12. Sulautuvan Yhtiön varojen ja velkojen arvo

Selvitys Sulautuvan Yhtiön varoista, veloista ja omasta pääomasta ja niiden arvostamiseen vaikuttavista seikoista, Sulautumisen suunnittelusta vaikutuksesta Vastaanottavan Yhtiön taseeseen sekä Sulautumiseen sovellettavista kirjanpidollisista menetelmistä on esitetty **Liitteessä 3**.

- 13. Räkenskaper som legat till grund för villkoren i Fusionen**
- Det relevanta datumet för de räkenskaper i det Överlåtande Bolaget som legat till grund för fastställandet av villkoren för Fusionen är den 30 september 2017.
- 13. Accounts as the basis for the Merger**
- The relevant date of the accounts of the Transferor Company which have formed the basis for the determination of the terms of the Merger is 30 September 2017.
- 13. Sulautumisen perusteena olevat tilinpäätökset**
- Sulautuvan Yhtiön tilinpäätösten kannalta relevantti päivämäärä, joka on muodostanut perustan Sulautumisen ehtojen määrittelyyn, on 30. syyskuuta 2017.
- 14. Process för att besluta om formerna för arbetstagarnas medverkan**
- Arbetstagarna deltar i den process genom vilken formerna för arbetstagarnas medverkan i det Övertagande Bolaget beslutas i enlighet med den finska lagen (725/1990) om personalrepresentation i företagens förvaltning och den finska lagen (758/2004) om arbetstagarinflytande i europabolag och europeiska kooperativa föreningar samt den svenska lagen (2008:9) om arbetstagarers medverkan vid gränsöverskridande fusioner, vilka tillsammans innehåller regelverket för arbetstagarers medverkan vid gränsöverskridande fusioner.
- 14. Procedure to determine the arrangement for employee involvement**
- The employees participate in the process through which the forms of employee participation in the Transferee Company are determined in accordance with the Finnish Act (725/1990) on Personnel Representation in the Administration of Undertakings and the Finnish Act (758/2004) on Employee Involvement in European Companies and European Social Cooperatives as well as the Swedish Act (SFS 2008:9) on Employee Participation in Cross-border Mergers, which together set forth the rules regarding employee participation in cross-border mergers.
- 14. Prosessi henkilöstön osallistumisen määrittämiseksi**
- Työntekijät osallistuvat prosessiin, jonka myötä henkilöstön osallistumisen järjestäminen Vastaanottavassa Yhtiössä määrittyy Suomen lain henkilöstön edustuksesta yritysten hallinnossa (725/1990) ja lain henkilöstöedustuksesta eurooppayhtiössä ja eurooppaosuuskunnassa (758/2004) sekä Ruotsin lain henkilöstön osallistumisesta rajat ylittävissä sulautumisissa (SFS 2008:9) mukaan, jotka yhdessä sääntelevät henkilöstön osallistumisesta rajat ylittävissä sulautumisissa.
- 15. Kapitallän och åtaganden som avses i 2 kap. 4 § affärsbankslagen**
- Det Övertagande Bolaget har inga kapitallän enligt 16 kap. 6 § FABL eller åtaganden enligt 2 kap. 4 § affärsbankslagen.
- 15. Subordinated loans and commitments referred to in Chapter 2, Section 4, of the Commercial Banking Act**
- The Transferee Company does not have any subordinated loans referred to in Chapter 16, Section 6 of the FCA or commitments referred to in Chapter 2, Section 4 of the Commercial Banking Act.
- 15. Pääomalainat ja liikepankkilain 2 luvun 4 §:ssä tarkoitettut sitoumukset**
- Vastaanottavalla Yhtiöllä ei ole SOYL 16 luvun 6 §:ssä tarkoitettuja pääomalainoja tai liikepankkilain 2 luvun 4 §:ssä tarkoitettuja sitoumuksia.
- 16. Redogörelse för korsvist ägande i de Fusionerande Bolagen**
- 16.1 Det Överlåtande Bolaget äger en (1) aktie i det Övertagande Bolaget, vilket motsvarar 100 procent av aktierna i det Övertagande Bolaget. Denna aktie, som kommer att övertas från det Överlåtande Bolaget av det
- 16. Account of cross shareholdings in the Merging Companies**
- 16.1 The Transferor Company owns one (1) share of the Transferee Company, which corresponds to 100 per cent of the shares of the Transferee Company. This share, which will be transferred to the Transferee Company from the Transferor
- 16. Selvitys Sulautumiseen Osallistuvien Yhtiöiden ristiinomistuksesta**
- 16.1 Sulautuva Yhtiö omistaa yhden Vastaanottavan Yhtiön osakkeen, eli 100 prosenttia Vastaanottavan yhtiön osakkeista. Tämä Vastaanottavalle Yhtiölle Sulautumisen johdosta Sulautuvalta Yhtiöltä siirtyvä osake mitätöidään

- Övertagande Bolaget genom Fusionen, kommer att dras in vid verkställandet av Fusionen.
- 16.2 Det Övertagande Bolaget äger inte några aktier i det Överlåtande Bolaget.
- 17. Företagsinteckningar**
- De Fusionerande Bolagen saknar registrerade företagsinteckningar.
- 18. Kompletterande information**
- 18.1 Det Övertagande Bolaget är ett nybildat bolag som inte ännu har upprättat någon årsredovisning.
- 18.2 En kopia av det Överlåtande Bolagets årsredovisningar för de senaste tre räkenskapsåren bifogas som **Bilagorna 4–6**. En kopia av det Överlåtande Bolagets delårsrapport för perioden 1 januari–30 juni 2017 bifogas som **Bilaga 7**. En kopia av det Överlåtande Bolagets delårsrapport för perioden 1 januari–30 september 2017 bifogas som **Bilaga 8**.
- 19. Yttrande från revisorerna**
- 19.1 Öhrlings PricewaterhouseCoopers AB har granskat fusionsplanen och upprättat ett yttrande över granskningen enligt **Bilaga 9**.
- 19.2 PricewaterhouseCoopers Oy har granskat fusionsplanen och upprättat ett yttrande över granskningen enligt **Bilaga 10**.
- 20. Bemyndigande**
- Styrelserna i de Fusionerande Bolagen bemyndigas att gemensamt besluta om och göra Company through the Merger, will be cancelled upon the execution of the Merger.
- 16.2 The Transferee Company does not own any shares in the Transferor Company.
- 17. Floating charges**
- The Merging Companies have no registered floating charges.
- 18. Supplementary information**
- 18.1 The Transferee Company is a newly established company which does not yet have any annual accounts.
- 18.2 A copy of the Transferor Company's annual reports for the past three financial years is attached as **Appendices 4–6**. A copy of the Transferor Company's interim report for the period 1 January–30 June 2017 is attached as **Appendix 7**. A copy of the Transferor Company's interim report for the period 1 January–30 September 2017 is attached as **Appendix 8**.
- 19. Statement of the auditors**
- 19.1 Öhrlings PricewaterhouseCoopers AB has reviewed the merger plan and has prepared a statement regarding its review as set out in **Appendix 9**.
- 19.2 PricewaterhouseCoopers Oy has reviewed the merger plan and has prepared a statement regarding its review as set out in **Appendix 10**.
- 20. Authorisation**
- The boards of directors of the Merging Companies are jointly authorised to decide and Sulautumisen täytäntöönpanon rekisteröinnin yhteydessä.
- 16.2 Vastaanottava Yhtiö ei omista Sulautuvan Yhtiön osakkeita.
- 17. Yrityskiinnitykset**
- Sulautuvilla Yhtiöillä ei ole rekisteröityjä yrityskiinnityksiä.
- 18. Täydentävää informaatiota**
- 18.1 Vastaanottava Yhtiö on vasta perustettu yhtiö, joten sille ei ole vielä laadittu tilinpäätöstä.
- 18.2 Kopiot Sulautuvan Yhtiön vuosikertomuksista kolmelta viime tilikaudelta ovat **Liitteinä 4–6**. Kopio Sulautuvan Yhtiön osavuositarkastuksesta ajalta 1. tammikuuta–30. kesäkuuta 2017 on **Liitteenä 7**. Kopio Sulautuvan Yhtiön osavuositarkastuksesta ajalta 1. tammikuuta–30. syyskuuta 2017 on **Liitteenä 8**.
- 19. Tilintarkastajien lausunto**
- 19.1 Öhrlings PricewaterhouseCoopers AB on tarkastanut sulautumissuunnitelman ja antanut tarkastuksestaan lausunnon, joka on **Liitteenä 9**.
- 19.2 PricewaterhouseCoopers Oy on tarkastanut sulautumissuunnitelman ja antanut tarkastuksestaan lausunnon, joka on **Liitteenä 10**.
- 20. Valtuutus**
- Sulautumiseen Osallistuvien Yhtiöiden hallitukset valtuutetaan yhteisesti päättämään ja

sådana mindre justeringar i fusionsplanen och dess bilagor som kan komma att krävas av någon myndighet eller som styrelserna i de Fusionerande Bolagen annars anser vara lämpliga.

21. Språk

Denna fusionsplan har upprättats i en svensk version tillsammans med översättningar till engelska och till finska. I händelse av skiljaktigheter ska den svenska versionen vara gällande.

* * *

Denna fusionsplan har upprättats i två likalydande exemplar, varav de Fusionerande Bolagen tagit var sitt.

[Separata signatursidor följer]

make such minor amendments to the merger plan and its appendices as are required by any authority or as are otherwise deemed appropriate by the boards of directors of the Merging Companies.

21. Language

This merger plan has been prepared in a Swedish version together with translations into English and into Finnish. In case of any discrepancies, the Swedish version shall prevail.

* * *

This merger plan has been executed in two identical copies, of which the Merging Companies have taken one each.

[Separate signature pages to follow]

tekemään viranomaisten vaatimia tai Sulautumiseen Osallistuvien Yhtiöiden hallitusten muutoin tarpeelliseksi katsomia vähäisiä muutoksia sulautumissuunnitelmaan ja sen liitteisiin.

21. Kieli

Tämä sulautumissuunnitelma on laadittu ruotsinkielisenä versiona yhdessä englannin- ja suomenkielisten käännösten kanssa. Mahdollisissa ristiriitatilanteissa ruotsinkielisellä versiolla on etusija.

* * *

Tämä sulautumissuunnitelma on laadittu kahtena identtisenä kappaleena, yksi kummallekin Sulautumiseen Osallistuvalla Yhtiöllä.

[Allekirjoitukset seuraavilla sivuilla]

Stockholm/Tukholma, den 25 oktober 2017 / 25 October 2017 / 25. lokakuuta 2017

Styrelsen/Board of directors/Hallitus

NORDEA BANK AB (publ)

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Björn Wahlroos

/s/ LARS G NORDSTRÖM
Lars G Nordström

/s/ GERHARD OLSSON
Gerhard Olsson

/s/ ROBIN LAWATHER
Robin Lawther

/s/ KARI STADIGH
Kari Stadigh

/s/ KARI AHOLA
Kari Ahola

/s/ SILVIJA SERES
Silvija Seres

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/s/ TONI H. MADSEN
Toni H. Madsen

/s/ LARS WOLLUNG
Lars Wollung

/s/ BIRGER STEEN
Birger Steen

/s/ PERNILLE ERENBJERG
Pernille Erenbjerg

/s/ SARAH RUSSELL
Sarah Russell

Stockholm/Tukholma, den 25 oktober 2017 / 25 October 2017 / 25. lokakuuta 2017

Styrelsen/Board of directors/Hallitus

NORDEA HOLDING ABP

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Björn Wahlroos

/s/ LARS G NORDSTRÖM
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