

Investment bonds

Nominal capital protected in USD at maturity

B590 Equity-linked notes Asian Companies

Subscription period: 22 May–29 June 2017

Investment period: About four years

Reference asset: Shares of 8 Asian companies

Participation rate: 100 %*

Subscription price: Fixed 100 %

Minimum subscription: USD 2,000

* Indicative, at least 85 %. Final participation rate will be confirmed on 6 July 2017. If 85 % participation cannot be reached, the issue will be cancelled.

Market comment

Growth is synchronized globally but Emerging Markets stand out as the winners in 2017. This should also be visible in equity performance after years in which relative performance has been in DM's favour.

For one, Asia are very well supported by attractive valuations both historically and also relative to the developed markets. Valuation levels imply higher expected returns.

Growth acceleration, great earnings momentum and less risk from adverse Trump policies make the case for Asia. Add to that a softer dollar and an attractive valuation.

Risk is still there, but overall attractive valuation and good profitability are main supportive factors for Asian equities.

Source: Nordea
May 2017

Equity-linked notes Asian Companies

Equity-linked Notes Asian Companies are structured bonds issued by Nordea Bank AB (publ) with a maturity of about four years, offering investors an opportunity to invest in Asian companies with nominal capital protection*.

- An alternative to direct equity investments
- A single diversified investment in the performance of Asian companies
- Nominal capital protected*

* Nominal capital protection is valid only in USD and at maturity, which means if the investment is sold before maturity, the capital returned to the investor may be below or above the invested nominal capital. The premium will not be returned. The investment also involves a risk related to the issuer's repayment ability.

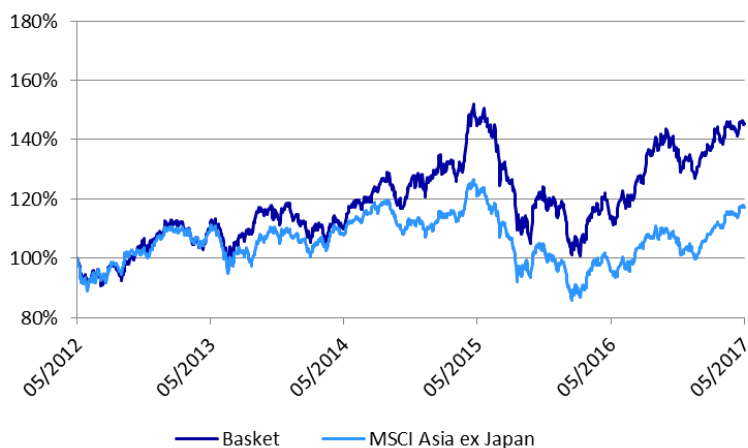
Reference asset

The yield on the bonds is determined on the basis of the performance of a basket of eight Asian shares.

Company	Country	Sector	Revenue 2016 (billions)	Employees
Tencent Holdings Ltd	China	Communications	152	38 000
Taiwan Semiconductor	Taiwan	Technology	948	45 000
Alibaba Group Holding Ltd	China	Communications	101	36 000
China Construction Bank Corp	China	Financial	847	362 000
China Mobile Ltd	Hong Kong	Communications	708	493 000
CNOOC Ltd	China	Energy	146	21 000
Industrial & Commercial Bank of China Ltd	China	Financial	980	459 000
Bank of China Ltd	China	Financial	753	303 000

Source: Bloomberg 8 May 2017

The graph on the right illustrates the performance of the share basket serving as the reference asset in relation to the MSCI Asia ex Japan Index over the past five years. Starting levels are indexed at 100%. The presented figures describe previous performance, and no reliable assumptions on future yield or value can be made based on it.



Source: Bloomberg 8 May 2017.

Yield calculation and repayment of nominal capital

The yield paid at maturity is determined based on the performance of the share basket serving as the reference asset and on the participation rate. When calculating the performance of the share basket, the change in the value of the three best performing shares is replaced with 20% irrespective of the actual performance of the shares during the investment period. The performance of the share basket is calculated as the difference between its initial price on 6 July 2017 and its final price on 6 July 2021 in percentages. If the performance is positive, the yield will be calculated by multiplying the in-

crease in value by the participation rate of 100%*. If the performance is zero or negative, no yield will be paid. The nominal capital will be fully repaid at maturity regardless of the performance. All cash flows of this investment are in USD. Fluctuations in EUR/USD currency pair affect the euro denominated yield and repayment of nominal capital. The investment bonds involve a risk of the issuer's insolvency.

The yield tables below show the yield on the equity-linked note in various market scenarios.**

Stock	Start value	Final value	Performance, %	Performance used in yield calculation, %	
Stock 1	100	220	120	20	
Stock 2	100	200	100	20	
Stock 3	100	180	80	20	
Stock 4	100	170	70	70	
Stock 5	100	155	55	55	
Stock 6	100	125	25	25	
Stock 7	100	120	20	20	
Stock 8	100	110	10	10	
Average				30	
Positive scenario: stock basket performance in accordance with the yield calculation 30%					
Stock basket performance in	Participation ratio	Profit	Repayment of nominal capital	Value at maturity	Annual yield
30.0 %	100.0 %	30.0 %	100.0 %	130.0 %	6.7 %

* Indicative, at least 85 %. Final will be confirmed on 6 July 2017 . If 85 % participation rate cannot be reached, the issue will be cancelled

** The yield calculation examples portray the situation at maturity and they assume that the participation ratio is 100 %. EUR/USD currency pair is assumed to remain unchanged. Taxes have not been accounted for. The information above is intended as an example and does not reflect the product's historical or expected return.

Stock	Start value	Final value	Performance, %	Performance used in yield calculation, %
Stock 1	100	220	120	20
Stock 2	100	200	100	20
Stock 3	100	180	80	20
Stock 4	100	150	50	50
Stock 5	100	140	40	40
Stock 6	100	105	5	5
Stock 7	100	90	-10	-10
Stock 8	100	75	-25	-25
Average				15

Scenario 2: stock basket performance in accordance with the yield calculation 15%

Stock basket performance in	Participation ratio	Profit	Repayment of nominal capital	Value at maturity	Annual yield
15.0 %	100.0 %	15.0 %	100.0 %	115.0 %	3.5 %

Stock	Start value	Final value	Performance, %	Performance used in yield calculation, %
Stock 1	100	120	20	20
Stock 2	100	115	15	20
Stock 3	100	110	10	20
Stock 4	100	105	5	5
Stock 5	100	95	-5	-5
Stock 6	100	85	-15	-15
Stock 7	100	80	-20	-20
Stock 8	100	75	-25	-25
Average				0

Negative scenario: stock basket performance in accordance with the yield calculation 0%

Stock basket performance in	Participation ratio	Profit	Repayment of nominal capital	Value at maturity	Annual yield
0.0 %	100.0 %	0.0 %	100.0 %	100.0 %	0.0 %

Investment bonds

Investment bonds are structured bonds issued by Nordea. Their yield is determined by the performance of their reference asset and the bond-specific yield calculation method. Finnish or foreign equities, indices or the performance of currency pairs may serve as the reference assets. Investment bonds benefit from a rise in their reference markets, just like direct equity and fund investments. The nominal capital of investment bonds with nominal capital protection is repaid at maturity.

All investment bonds have a pre-specified investment period, usually between two and six years. The nominal value of the investment is repaid at maturity regardless of the reference asset's performance. The bonds involve a risk relating to the issuer's repayment ability. Read more about this and other risks involved in investment bonds on page 7.

Participation ratio may vary

With these Investment Bonds, the participation ratio may fluctuate during the subscription period, rising above or falling below the indicative participation ratio*. The fluctuation in the participation ratio is caused by movements in the fixed income and equity markets. The subscription price of these bonds will be fixed at 100 % during the subscription period.

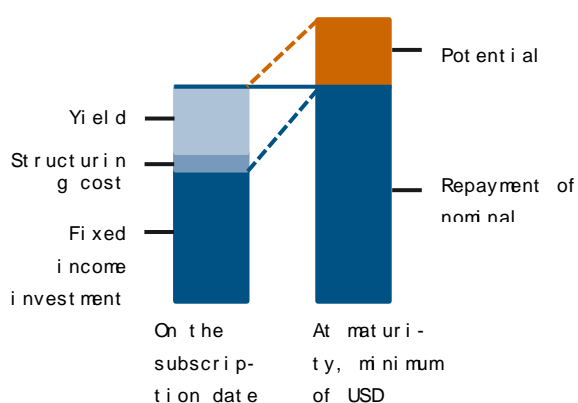
You can also buy and sell investment bonds during the maturity period

Investors do not have to wait until the maturity date to sell their investment. In normal market conditions daily buy and sell quotes are provided for Nordea's investment bonds, which can be traded in Netbank, for example. If an investment is sold on the secondary market before maturity, the secondary market price may be higher or lower than 100%. It is important to remember that the nominal capital protection is valid only on the maturity date.

Investment Bonds' building blocks

The capital invested in an investment bond may be divided by the issuing bank into four components: a yield component, a fixed income investment, a structuring cost and a premium. Together, these components make up the product purchased by the investor.

- The yield component consists of a derivative that makes it possible to benefit from a rise in the reference asset value.
- The fixed income investment guarantees the repayment of the nominal capital at maturity. The higher the interest rates in the currency invested, the larger the sum that can be used for the yield component. And vice versa, if the interest rates in the currency invested are low.
- The structuring cost is included in the subscription price and covers all expenses incurred by the issuer from the investment bonds, such as issuing, licensing, material and marketing costs. The structuring cost will not be deducted from the yield paid or the nominal capital repaid at maturity.



* If participation ratio of 85 % cannot be reached, the issue will be cancelled.

Risks involved in investment bonds

All investment activity involves risks. The most important uncertainties and risks are presented below. Investors must understand that the investment is a complex product and that its yield consists of several factors.

Issuer risk

The Investment Bonds involve a risk of the issuer's insolvency. The risk relating to the issuer's repayment ability refers to the risk of the issuer becoming insolvent and being unable to fulfil its commitments in a bankruptcy etc. The investor may lose his or her invested capital and any potential yield partially or in full in the event of the issuer's insolvency. Nordea has a credit rating of Aa3 (stable outlook) by Moody's and AA- (negative outlook) by Standard & Poor's. The bonds are unsecured.

Foreign exchange rate risk

All the cash flows of the investment are denominated in USD. Fluctuations in EUR/USD currency pair affect the euro denominated yield and repayment of nominal capital.

Yield risk

The yield at maturity of Investment Bonds is determined on the basis of the share basket's performance in accordance with the yield calculation. The performance in accordance with the yield calculation differs from that of a direct investment in the shares included in the share basket during the investment period. The possible effect of dividends is not taken into account when calculating the performance of the reference assets.

Market risk

The investment and its nominal capital do not involve equity or interest rate risk if the investment is held until the maturity date. If the investment is sold before maturity, it involves a risk of changes in the equity and interest rate markets.

Secondary market risk

If the investor sells the Investment Bonds on the secondary market before maturity, the repurchase price may be higher or lower than its nominal value. The investment is intended as a 'buy and hold' type of investment. In normal market conditions the issuer, however, seeks to quote a secondary market price.

Special situations

In connection with market disruptions or other special situations, the issuer may have to change its methods of calculation or the reference asset. In connection with the special situations determined in the base prospectus*, the issuer is entitled to make necessary amendments to the terms and conditions. If the issuer considers that making amendments or changing the reference asset is not a reasonable alternative, the issuer may calculate the yield prematurely. In such a case, the investor is paid market-based interest on the capital during the remaining maturity. The capital may be higher or lower than the nominal value.

Investors' Compensation Fund

The Investors' Compensation Fund does not compensate for losses resulting from an investment bond's investment risk, which includes, but is not limited to, the issuer's insolvency and asset price fluctuations, nor for any losses resulting from the customer's unsuccessful investment decisions.

*The base prospectus in English is available on the issuer's website at <http://www.nordea.com/en/investor-relations/debt-and-rating/Prospectuses/>.



LOW RISK. CAPITAL PROTECTION.* Structured investment products, the nominal capital of which is returned at maturity if the issuer is solvent. The investment may include a premium of 15% at the most. The capital protection is only valid on the maturity date and it does not cover the premium or the fees and costs paid by the investor. The risk relating to the issuer's repayment ability is described in this marketing brochure.

The risk classification does not remove the investor's obligation to carefully study this marketing brochure, the product-specific terms and conditions and the prospectus, if any, and the risks mentioned in them.

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* The Finnish Structured Products Association's three-tiered risk categorisation where the first tier includes the lowest risk and the third tier the highest risk.

Key information

Product name: Equity-linked Notes Asian Companies

Subscription period: 22 May–29 June 2017

Places of subscription: You can make a subscription at Nordea Bank Finland Plc's branches, at Nordea Private Banking or with your access codes through Nordea Customer Service, tel 0200 70 000 (local network charge/mobile call charge), or in Net-bank at www.nordea.fi.

Issue date: 6 July 2017

Issuer: Nordea Bank AB (publ); credit ratings Aa3 (Moody's, stable outlook) and AA- (Standard & Poor's, negative outlook).

Minimum subscription: USD 2,000

Subscription price: Fixed 100 %

Bond number and ISIN: B590, FI4000236682

Maturity: 20 July 2021

Reference asset: Share basket consisting of 8 Asian companies' shares with equal weights (see page 3)

Initial price: 6 July 2017

Final price: 6 July 2021

Yield calculation and repayment of nominal capital: The yield paid at maturity is determined based on the performance of the share basket serving as the reference asset and on the participation rate. When calculating the performance of the share basket, the change in the value of the three best performing shares is replaced with 20% irrespective of the actual performance of the shares during the investment period. The performance of the share basket is calculated as the difference between its initial price and its final price in percentages. If the performance is positive, the yield will be calculated by multiplying the increase in value by the participation rate of 100 %*. If the performance is zero or negative, no yield will be paid. The nominal capital will be fully repaid at maturity regardless of the performance. All cash flows of this investment are in USD. Fluctuations in EUR/USD

currency pair affect the euro denominated yield and repayment of nominal capital. The investment bonds involve a risk of the issuer's insolvency.

Structuring cost: The structuring cost is about 2.5 %, which is the equivalent of an annual cost of about 0.6 % if the bond is held until maturity. The structuring cost is included in the subscription price, which means it will not be deducted from the yield paid or the nominal capital repaid at maturity. The structuring cost is based on the values of the fixed income and derivative investments included in the bond on the valuation date of 8 May 2017. The structuring cost includes all expenses incurred by the issuer from the bond, such as issue, licensing, material and marketing costs. The issuer does not charge a separate subscription fee for the bond.

Secondary market: In normal market conditions, the issuer aims to quote a repurchase price for the bonds, which may be lower or higher than the nominal value.

Taxation: Potential yield at maturity is subject to income tax on capital income for natural persons with general tax liability in Finland and for Finnish death estates in accordance with the valid tax legislation.

Custody: A possible fee for custody will be charged in accordance with the valid tariff.

Security: The bond is unsecured.

Cancellation of the issue: The issuer has the right to cancel the issue if changes in the economic circumstances occur, if the total amount of subscriptions is low, or if something should occur that the issuer considers might endanger the issue. The issue will also be cancelled if participation ratio of at least 85% cannot be reached.

Listing: No application will be made for listing the note.

Bond B590 is issued under the Structured Note Programme (a bond programme reported to the Finnish Financial Supervisory Authority from Ireland in accordance with the Prospectus Directive) of Nordea Bank AB (publ) dated 19 December 2016 and supplemented later. The base prospectus in English is available on the issuer's website at <http://www.nordea.com/en/investor-relations/debt-and-rating/Prospectuses/>. The final terms of the bonds and the base prospectus can be obtained from the seller. The English version of the terms is binding and thus applicable in possible conflict situations.

*The participation rate is indicative and it will be at least 85 %. The final will be confirmed on 6 July 2017 .