



Equity-linked Notes Europe

Nominal capital protection at maturity and possibility to profit from European stock markets

Subscription period: 3 October -10 November 2016

Investment period: About 6 years

Reference asset: 10 European stocks

Participation rate: 70%

Subscription price: Variable, about 107% (including a premium of about 7 %)*

Minimum subscription and nominal: EUR 1,000

* The premium will not be returned.

Market comment

Growth in Europe implies a need for renewal

In the years ahead, growth in Europe is expected to continue stable although fairly modest compared to the last decade. The growth is sustained by domestic consumption encouraged by the improved labour market situation. Unemployment continues to decline, but wage trends are still weak in many countries. Minor wage pressures are curbing inflationary pressures, which keeps the interest rate level low and contributes to economic growth.

The European countries have recovered from the financial crisis at very different speeds. Germany has been the growth driver for the euro area, and of the non-euro EU countries, Great Britain and Sweden have performed well in international comparison in recent years. Conversely, some euro area countries are still recovering from the financial crisis and the slow reduction of debt burdens, for example, has allowed only little room for the growth of new loans and companies.

In the past few years, the European countries as a whole have fared well in international competition, which is reflected in the fact that the EU aggregate current account has turned positive. Nevertheless, the boost offered by international trade to the European open economies is fading, as global economic growth is expected to remain moderate in the next few years and it will be more often based on consumption of domestically provided services instead of investments fuelling international trade.

The result of the Brexit vote in June may have revealed the most important source of vulnerability of the current state of affairs in Europe. Uncertainty about the EU's future development continues, although the direct effects of Brexit on economic growth seem to remain minor at European level. The weak economic performance, among others, has undermined the support for the integration of Europe in many countries. As a result of this, public approval of the parties critical of the EU has increased at the expense of the conventional ruling parties. The imminent elections in the largest EU Member States – France and Germany – also threaten to decelerate the renewal of the EU.

In the longer term, the continent's capacity to renew itself will draw the broad outlines for future economic performance in Europe. A pick-up in structural reforms would open up a channel for productivity trends and economic growth that would be faster than forecasted. New technologies, such as robots and digitalisation, may offer many solutions to the challenges of the ageing Europe.

Source: Tuuli Koivu
Senior Analyst, Economic Research, Nordea Markets
September 2016

Equity-Linked Notes Europe

Equity-Linked Notes Europe is a bond issued by Nordea Bank Finland Plc with a maturity of about six years, offering investors an opportunity to invest in European companies with nominal capital protection*.

- An alternative to direct equity investments
- One diversified investment in the performance of European companies
- The growth in Europe is expected to be stable during the following years

* Nominal capital protection is valid only 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

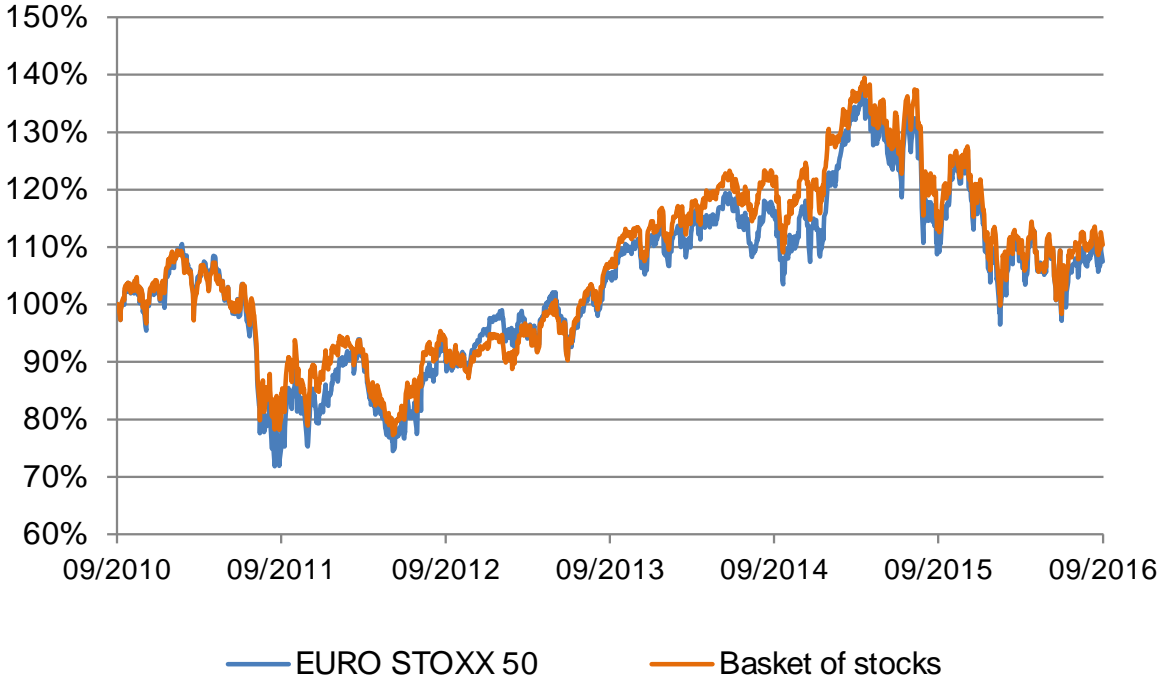
The yield on the equity-linked note Europe is based on the performance of a stock basket consisting of ten European stocks. The basket is diversified including companies from financial, consumer, communications, energy and utilities sectors.

The basket includes well known European exchange traded stocks, which have developed in line with the reference index during observation period September 2010 – September 2016.



The reference index is EURO STOXX 50 –index, which consists of 50 biggest and most liquid stocks in the Eurozone. The stocks have equal weights in the basket.

Source: Nordea Markets 27 September 2016



The adjacent graph presents the performance of the stock basket serving as the reference asset in relation to the EURO STOXX 50 price index from 27 September 2010 till 27 September 2016. Starting levels indexed at 100%. The data presented depict earlier price development and no reliable assumptions on future price or yield trends can be made based on the data.

Source: Bloomberg 27 September 2016.



The yield of the investment bond is based on the performance of ten European listed companies.

AXA SA is an insurance company which also provides related financial services. The Company offers life and non-life insurance, savings and pension products, and asset management services. AXA operates in both domestic and international markets.

AstraZeneca PLC is a holding company. The Company, through its subsidiaries, researches, manufactures, and sells pharmaceutical and medical products. AstraZeneca focuses its operations on eight therapeutic areas: gastrointestinal, oncology, cardiovascular, respiratory, central nervous system, pain control, anaesthesia, and Infection.

Engie SA offers a full range of electricity, gas and associated energy and environment services throughout the world. The Company produces, trades, transports, stores, and distributes natural gas, and offers energy management and climatic and thermal engineering services.

Telia Company AB offers telecommunication services. The Company offers mobile communications services as well as operates fixed networks throughout Eurasia.

Siemens AG is an engineering and manufacturing company. The Company focuses on areas of electrification, automation, and digitalization. Siemens also provides engineering solutions in automation and control, power, transportation, and medical diagnosis.

Sanofi is a global pharmaceutical company that researches, develops, and manufactures prescription pharmaceuticals and vaccines. The Company develops cardiovascular, thrombosis, metabolic disorder, central nervous system, internal medicine and oncology drugs, and vaccines.

TOTAL S.A. explores for, produces, refines, transports, and markets oil and natural gas. The Company also operates a chemical division which produces polypropylene, polyethylene, polystyrene, rubber, paint, ink, adhesives, and resins. TOTAL operates gasoline filling stations in Europe, the United States, and Africa.

Telefonica S.A. provides telecommunications services mainly to countries in Europe and Latin America. The Company offers fixed-line and mobile telephone, Internet, and data transmission services to residential and corporate customers.

Daimler AG develops, manufactures, distributes, and sells a wide range of automotive products, mainly passenger cars, trucks, vans, and buses. The Company also provides financial and other services relating to its automotive businesses.

Vivendi, through its subsidiaries, conducts operations ranging from music, games and television to film and telecommunications. The Company provides digital and pay television services, sells music compact discs (CDs), develops and distributes interactive entertainment, and operates mobile and fixed-line telecommunications.

Source: Bloomberg 27 September 2016

Yield calculation and repayment of nominal capital

The yield paid at maturity is determined based on the performance of the stock basket serving as the reference asset and on the participation rate. When calculating the performance of the stock basket, the performance of three best performing stocks is replaced with constant 40% regardless of their true performance. The performance of the stock basket is calculated as the difference between its initial price on 16 November 2016 and its final price on 16 November 2022 in percentages. If the performance is positive, the yield will be calculated by multiplying the increase in value by the participation rate of 70%. If the stock basket performance is zero or negative, no yield will be paid. The nominal capital will be fully repaid at maturity regardless of the stock basket performance. The premium will not be returned.

The yield tables below show the yield on the equity-linked note in various market scenarios.* In the examples, the assumed subscription price is 107%. In other words, an investment with a nominal capital of 1,000 euros will cost 1,070 euros. The actual cost of an investment may be above or below the intended price (107%) depending on the market situation.

Positive scenario: stock basket performance in accordance with the yield calculation 40%

Stock	Start value	Final value	Performance, %	Performance used in yield calculation, %
Stock 1	100	270	170	40
Stock 2	100	220	120	40
Stock 3	100	200	100	40
Stock 4	100	180	80	80
Stock 5	100	170	70	70
Stock 6	100	160	60	60
Stock 7	100	130	30	30
Stock 8	100	120	20	20
Stock 9	100	110	10	10
Stock 10	100	110	10	10
Average				40

Stock basket performance in accordance with the yield calculation	Participation ratio	Profit	Repayment of nominal capital	Value at maturity	Annual yield
40.0 %	70.0 %	28.0 %	100.0 %	128.0 %	3.0 %

* The yield calculation examples portray the situation at maturity and they assume that the subscription price is 107%. The premium will not be returned. 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. In calculation of the stock basket performance three best performing stocks have been replaced with constant 40%.

Neutral scenario: stock basket performance in accordance with the yield calculation 20%

Stock	Start value	Final value	Performance, %	Performance used in yield calculation, %
Stock 1	100	270	170	40
Stock 2	100	220	120	40
Stock 3	100	200	100	40
Stock 4	100	160	60	60
Stock 5	100	140	40	40
Stock 6	100	120	20	20
Stock 7	100	110	10	10
Stock 8	100	90	-10	-10
Stock 9	100	80	-20	-20
Stock 10	100	80	-20	-20
Average				20

Stock basket performance in accordance with the yield calculation	Participation ratio	Profit	Repayment of nominal capital	Value at maturity	Annual yield
20.0 %	70.0 %	14.0 %	100.0 %	114.0 %	1.0 %

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

Stock	Start value	Final value	Performance, %	Performance used in yield calculation, %
Stock 1	100	270	170	40
Stock 2	100	220	120	40
Stock 3	100	200	100	40
Stock 4	100	120	20	20
Stock 5	100	110	10	10
Stock 6	100	90	-10	-10
Stock 7	100	80	-20	-20
Stock 8	100	70	-30	-30
Stock 9	100	60	-40	-40
Stock 10	100	50	-50	-50
Average				0

Stock basket performance in accordance with the yield calculation	Participation ratio	Profit	Repayment of nominal capital	Value at maturity	Annual yield
20.0 %	70.0 %	0.0 %	100.0 %	100.0 %	-1.1 %

Equity-linked Notes Europe Key information

Subscription period: 3 October - 10 November 2016

Places of subscription: Nordea Bank AB Lithuanian branch

Issue date: 3 October 2016

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

Minimum subscription: EUR 1,000

Subscription price: Variable, about 107 % (including a premium of about 7 %)

Bond number and ISIN: B430, FI4000177423

Maturity: 30.11.2022

Reference asset: 10 European stocks

Initial price: 16 November 2016

Final price: 16 November 2022

Yield calculation: The yield paid at maturity is determined based on the performance of the stock basket serving as the reference asset and on the participation rate. When calculating the performance of the stock basket, the change in the value of the three best performing stocks is replaced by 40% irrespective of the actual performance of the stocks during the investment period. The performance of the stock basket is calculated as the average of the performance of the stocks. The performance of the stock basket is calculated as the difference between its initial price on 16 November 2016 and its final price on 16 November 2022 in percentages. If the stock basket performance is positive, the yield will be calculated by multiplying the increase in value by the participation rate of 70 %. If the stock basket performance is zero or negative, no yield will be paid.

Repayment of the nominal capital: The issuer, Nordea Bank Finland Plc, will repay the nominal capital of the bonds in full at maturity irrespective of the performance of the ETF. Possible premium will not be returned. The investment bonds involve a risk of the issuer's insolvency.

Structuring cost: The structuring cost is about 3.0 %, which is the equivalent of an annual cost of about 0.5 % 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 27 September 2016. 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, Nordea Bank Finland Plc, will quote a repurchase price for the bonds, which may be lower or higher than the nominal value. If the investment is sold on the secondary market before maturity, the secondary market price may be higher or lower than 100%.

Taxation: Potential yield at maturity is subject to tax at source on interest income for natural persons with general tax liability in Lithuania 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 based on changes in the economic circumstances or if the total amount of subscriptions is low, or if something should occur that the issuer considers might endanger the issue. Also, if the participation rate of 40 % cannot be reached, issue will be cancelled.

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

Bond B430 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 Finland Plc dated 18 December 2015 and supplemented later. The base prospectus in English is available on the issuer's website at www.nordea.fi/bonds. 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.

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

Investment bonds involve a risk related to the issuer Nordea Bank Finland Plc's repayment ability. 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.

Yield risk

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

Market risk

The investment and its nominal capital do not involve an equity, interest rate or foreign exchange 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, fixed income and foreign exchange markets.

Secondary market risk

If the investor sells the investment bond 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 Nordea Bank Finland Plc seeks to quote a secondary market price.

Premium risk

The potential premium, i.e. the proportion of the subscription price exceeding the nominal value of the bond, will not be returned. The size of the loss incurred by the investor from the premium depends on how much the yield is below the premium paid. The size of the premium depends on the bond-specific premium (7%) as well as on market movements. This means that the premium paid at the time of investment may be above or below the bond-specific premium (7%) intended at the time of issue.

Special situations

In connection with market disruptions or other special situations, Nordea may have to change its methods of calculation or the reference asset. In connection with the special situations determined in the base prospectus*, Nordea is entitled to make necessary amendments to the terms and conditions. If Nordea considers that making amendments or changing the reference asset is not a reasonable alternative, Nordea 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.

RISK CLASSIFICATION*

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.



* Based on the three-tiered risk categorisation of the Finnish Structured Products Association where the first category includes the smallest risk and the third category the highest risk.

DISCLAIMER

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