



Equity-linked Notes Far East

Subscription period: 14 November-15 December 2016

Investment period: About 6 years

Reference asset: 10 stocks that are listed in Far East

Participation rate: 100%

Subscription price: Variable, about 110% including 10% premium*

Minimum subscription: EUR 1 000

* The premium will not be returned.

Market comment

Valuation supports Far East

The fundamentals support the shares listed in Far East. The economic sentiment looks good and growth prospects have stabilized at a reasonable level. Economic growth in emerging economies has slowed in recent years, which has caused concern in the markets. China's economic restructuring is a fact, but it seems that the fears of declining growth will not be realized. The Chinese authorities have managed to regulate the necessary reform measures and short-term stimulus measures. There is still room for further stimulus and the economic growth is likely to remain relatively strong, which supports the equity markets in the area.

The stabilization of growth outlook has also supported earnings expectations in the region. The expectations have improved after the summer. In addition to strong earnings prospects, the Far Eastern shares are traded at clearly more attractive valuation than the industrialized countries' shares. Supported by these factors, the Far Eastern shares have room for improvement also in the future.

Emerging markets as a whole enjoy the recovery of commodity prices, economic data picking up and, consequently, earnings prospects strengthening. Within the emerging markets, Far East will benefit the most from the improved fundamentals. On the political front the Far East appears to be relatively stable compared to other emerging markets. This is yet another factor that supports the Far Eastern shares.

Source: Emil Palmén
Investment strategist, Asset Allocation, Nordea
November 2016

Equity-Linked Notes Far East

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

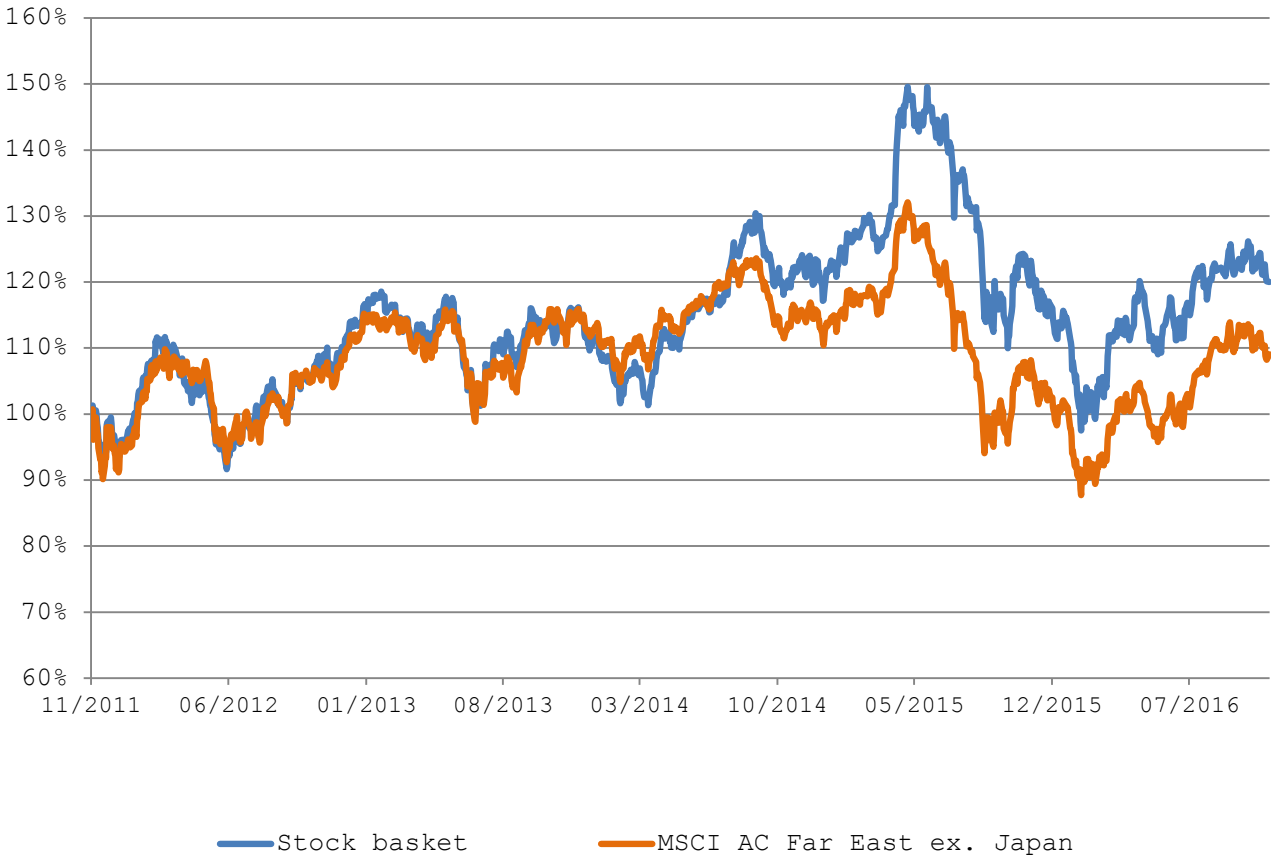
- An alternative to direct equity investments
- One diversified investment in the performance of companies that are listed in Far East
-
- The growth prospects of Far Eastern shares have improved

* 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 adjacent graph presents the performance of the stock basket serving as the reference asset in relation to the MSCI AC Far East ex. Japan index from 7 November 2010 to 7 November 2016. Starting levels indexed at 100%. The data presented depict earlier price development and no reliable as-sumptions on future price or yield trends can be made based on the data.

Source: Bloomberg 7 November 2016.



The yield of the investment bond is based on the performance of ten companies that are listed in Far East. The companies are equally weighted. Short descriptions of the companies are presented below.



Singapore Telecommunications Ltd. The company is listed in Singapore and specializes in telecommunications. It offers a variety of mobile, satellite and cable services. It has about 26,000 employees and revenue in 2015 was about 17.2 billion SGD (about 12.4 billion USD).

Oversea-Chinese Banking Corp. The company is a Singapore based operator in the finance industry. It offers for example deposits, loans for corporates and individuals and investment banking. It has about 30,000 employees and its revenue in 2015 was about 8.7 billion SGD (about 6.3 billion USD).

DBS Group Holdings Ltd. DBS is a finance company, who offers for example mortgage funding, leasing and various funds. It also acts as the primary dealer of Singapore government securities. It has about 22,000 employees and 2015 revenue was about 10.9 billion SGD (about 7.8 billion USD).

China Petroleum & Chemical Corp. The company is better known as Sinopec Ltd. It manufactures, refines and trades for example gasoline, diesel and jet fuel. It has about 351 000 employees and its 2015 revenue was about 2,000 billion CNY (about 295 billion USD).

Sun Hung Kai Properties Ltd. The company and its subsidiaries invest in and develop property. It also owns hotels, parking houses and transportation solutions. It has about 37,000 employees and its revenue in 2015 was about 66.8 billion HKD (about 8.6 billion USD).

CNOOC Ltd. CNOOC acts through its subsidiaries a. It explores, develops and produces crude oil and natural gas. The company acts globally, but its core operations are in Far East. It has about 21,000 billion employees and its revenue in 2015 was about 171.4 billion CNY (about 25.3 billion USD).

China Mobile Ltd. The company offers mobile devices and related services in China and Hong Kong. In May 2016 the company was the largest telecommunications company in the world by market capital. It has about 493,000 employees and its revenue in 2015 was about 668.3 billion HKD (about 86.2 billion USD).

CK Hutchison Holdings Ltd. The company acts as a holding company for Cheung Kong Group and Hutchison Group. It owns for example ports and related services, telecommunications, infrastructure and energy services. It has about 174,000 employees and its revenue in 2015 was about 396.1 billion HKD (about 51.1 billion USD).

Hong Kong Exchanges & Clearing Ltd. The company owns Hong Kong stock exchange and future exchange and related clearing houses. It also offers trading platforms and various financing products. The company has about 2,000 employees and its revenue in 2015 was about 13.4 billion HKD (about 1.7 billion USD).

China Construction Bank Corp. The company is one of the largest banks in the world. It offers comprehensive banking services for corporates and individuals. It has about 362,000 employees and its 2015 revenue was about 586.7 billion HKD (about 75.6 billion USD).

Source: Bloomberg 7 November 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 30% regardless of their true performance. The performance of the stock basket is calculated as the difference between its initial price on 21 December 2016 and its final price on 21 December 2022 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 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 110%. In other words, an investment with a nominal capital of 1,000 euros will cost 1,100 euros. The actual cost of an investment may be above or below the intended price (110%) 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	30
Stock 2	100	220	120	30
Stock 3	100	200	100	30
Stock 4	100	180	80	80
Stock 5	100	170	70	70
Stock 6	100	160	60	60
Stock 7	100	140	40	40
Stock 8	100	130	30	30
Stock 9	100	120	20	20
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 %	100.0 %	40.0 %	100.0 %	140.0 %	4.0 %

* * The yield calculation examples portray the situation at maturity and they assume that the subscription price is 110%. 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 30%.

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	30
Stock 2	100	220	120	30
Stock 3	100	200	100	30
Stock 4	100	160	60	60
Stock 5	100	140	40	40
Stock 6	100	130	30	30
Stock 7	100	110	10	10
Stock 8	100	100	0	0
Stock 9	100	90	-10	-10
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 %	100.0 %	20.0 %	100.0 %	120.0 %	1.4 %

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	30
Stock 2	100	220	120	30
Stock 3	100	200	100	30
Stock 4	100	120	20	20
Stock 5	100	110	10	10
Stock 6	100	110	10	10
Stock 7	100	100	0	0
Stock 8	100	70	-30	-30
Stock 9	100	60	-40	-40
Stock 10	100	40	-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 %	100.0 %	0.0 %	100.0 %	100.0 %	-1.5 %

Equity-linked Notes Far East Key information

Subscription period: 14 November -15 December 2016

Places of subscription: Nordea Bank AB Lithuanian branch

Issue date: 14 November 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 110 %*

Bond number and ISIN: B466, FI4000177480

Maturity: 30 December 2022

Reference asset: 10 companies listed in Far East

Initial price: 21 December 2016

Final price: 21 December 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 30% 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 21 December 2016 and its final price on 21 December 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 100 %. 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 reference index. The premium will not be returned. The premium is determined on the basis of the subscription date. 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 4 November 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 bond, 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.

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

Bond B466 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 (10%) 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 (10%) 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.

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