

Equity-linked Bond Global Basic & Extra



Equity-linked Bond Global

Equity-linked Bond Global is a bond issued by Nordea Bank Finland Plc with a maturity of about five years. It offers an attractive opportunity to make a well-diversified and cost-effective investment across Nordea's international equity favourites. The developed countries' equity markets have been rising for a long period of time but, at the same time, uncertainty over the sustainability of this rise has grown. Equity-linked Bond Global provides an attractive investment alternative, as a yield will be paid on the investment if share prices rise, but the nominal capital will be paid back on the maturity date even if share prices decline.

Share basket

The yield on Equity-linked Bond Global is based on a share basket consisting of ten selected shares from the Global 30 recommendation list published by Nordea Investment Strategy & Advice. Global 30 is an equity recommendation list consisting of 30 attractive shares from every sector worldwide. In addition to company-by-company analysis, several factors are taken into consideration when selecting the shares for the recommendation list, such as Nordea's Investment Strategy and forecasts on the general trend in the equity market and the different sectors. All companies in the basket have equal weights.

The recommendations in the table are based on the situation on 15 May 2014.

Company	Recommendation	Industry	Country
Apple Inc.	Buy	Technology	USA
Danone SA	Buy	Consumer	France
Capita PLC	Strong Buy	Consumer	England
Chevron Corp	Buy	Energy	USA
Total SA	Strong Buy	Energy	France
Novo Nordisk A/S	Strong Buy	Consumer	Denmark
Sampo	Buy	Financial	Finland
SEB	Buy	Financial	Sweden
Telenor ASA	Buy	Telecommunication	Norway
Xcel Energy Inc.	Buy	Utilities	USA

Yield table: Equity-linked Bond Global Basic*

Change in the share basket	Participation rate	Return	Nominal value	Final value	Yield p.a.*
150 %	70 %	105 %	100 %	205 %	15.0 %
125 %	70 %	88 %	100 %	188 %	12.9 %
100 %	70 %	70 %	100 %	170 %	10.8 %
75 %	70 %	53 %	100 %	153 %	8.4 %
50 %	70 %	35 %	100 %	135 %	5.8 %
25 %	70 %	18 %	100 %	118 %	2.9 %
0 %	70 %	0 %	100 %	100 %	-0.4 %
-25 %	70 %	0 %	100 %	100 %	-0.4 %
-50 %	70 %	0 %	100 %	100 %	-0.4 %
-75 %	70 %	0 %	100 %	100 %	-0.4 %
-100 %	70 %	0 %	100 %	100 %	-0.4 %

Yield table: Equity-linked Bond Global Extra*

Change in the share basket	Participation rate	Return	Nominal value	Final value	Yield p.a.*
150 %	150 %	225 %	100 %	325 %	24.2.0 %
125 %	150 %	188 %	100 %	288 %	21.2 %
100 %	150 %	150 %	100 %	2500 %	17.8 %
75 %	150 %	113 %	100 %	213 %	14.1 %
50 %	150 %	75 %	100 %	175 %	9.7 %
25 %	150 %	38 %	100 %	138 %	4.6 %
0 %	150 %	0 %	100 %	100 %	-1.9 %
-25 %	150 %	0 %	100 %	100 %	-1.9 %
-50 %	150 %	0 %	100 %	100 %	-1.9 %
-75 %	150 %	0 %	100 %	100 %	-1.9 %
-100 %	150 %	0 %	100 %	100 %	-1.9 %

* The yield calculation includes the Basic tranche's premium of 2% and the Extra tranche's premium of 10%. 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 performance.

Yield calculation

The yield paid at maturity is determined based on the performance of the share basket and the participation rate. In calculating the performance of the share basket, the change in the value of the four best performing shares is replaced by 40% irrespective of the actual performance of the shares during the investment period. The performance of the share basket is calculated as the average of the rises and falls in the value of the shares. The performance of each share is calculated as the difference between its initial price and final price in percentages. The initial price is the closing price of the share on 6 August 2014. The final price is the closing price of the share on 1 August 2019.

If, in accordance with the yield calculation, the share basket performance is positive, the yield on the Basic tranche will be calculated by multiplying the increase in value by the participation rate of 70%. The yield on the Extra tranche will be calculated by multiplying the increase in value by the participation rate of 150%. If the share basket value decreases or remains unchanged, no yield will be paid. The nominal capital will be repaid at maturity regardless of the performance of the share basket. The premium will not be returned. The yield calculation examples below show how much the equity-linked bond's Basic and Extra tranche would yield in three different market scenarios. The column "Changes accounted for in the yield calculation" shows how the performance of the four top shares in the basket is substituted with 40%. Below the share price performance, you can see how much the Basic and Extra tranche would have yielded at these performance figures. The information presented here is intended as an example and does not reflect the product's historical or expected performance.

1 example: strong rise

Share	Start	Final	Change to be observed			
	value	value	Change	in yield calculation		
1	100	300	200 %	40 %		
2	100	270	170 %	40 %		
3	100	260	160 %	40 %		
4	100	250	150 %	40 %		
5	100	230	130 %	130 %		
6	100	220	120 %	120 %		
7	100	200	100 %	100 %		
8	100	170	70 %	70 %		
9	100	160	60 %	60 %		
10	100	150	50 %	50 %		
Average change				69 %		
Share basket return = 69 %						
Change in ref. asset in acc. with bond stems	Participation x ratio	+	Nominal value	=	Final value	Yield p.a.*
„Basic“	69 %	70 %	100 %	=	148 %	7,8 %
„Extra“	69 %	150 %	100 %	=	204 %	14,6 %

2 example: rise

Share	Start	Final	Change to be observed			
	value	value	Change	in yield calculation		
1	100	160	60 %	40 %		
2	100	150	50 %	40 %		
3	100	130	30 %	40 %		
4	100	130	30 %	40 %		
5	100	130	30 %	30 %		
6	100	125	25 %	25 %		
7	100	120	20 %	20 %		
8	100	115	15 %	15 %		
9	100	110	10 %	10 %		
10	100	90	-10 %	-10 %		
Average change				25 %		
Share basket return = 25 %						
Change in ref. asset in acc. with bond stems	Participation x ratio	+	Nominal value	=	Final value	Yield p.a.*
„Basic“	25 %	70 %	100 %	=	118 %	2,9 %
„Extra“	25 %	150 %	100 %	=	138 %	4,6 %

3 example: decline

Share	Start	Final	Change to be observed			
	value	value	Change	in yield calculation		
1	100	110	10 %	40 %		
2	100	100	0 %	40 %		
3	100	80	-20 %	40 %		
4	100	65	-35 %	40 %		
5	100	60	-40 %	-40 %		
6	100	50	-50 %	-50 %		
7	100	40	-60 %	-60 %		
8	100	25	-75 %	-75 %		
9	100	20	-80 %	-80 %		
10	100	10	-90 %	-90 %		
Average change				-24 %		
Share basket return = 25 %						
Change in ref. asset in acc. with bond stems	Participation x ratio	+	Nominal value	=	Final value	Yield p.a.*
„Basic“	0 %	70 %	100 %	=	100 %	-0,4 %
„Extra“	0 %	150 %	100 %	=	100 %	-1,9 %

* The yield calculation includes the Basic tranche's premium of 2% and the Extra tranche's premium of 10%. 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 performance.

Subscription information

Issuer	Nordea Bank Finland Plc; credit ratings Aa3 (Moody's) and AA- (Standard & Poor's, negative outlook).											
Subscription period	9 June–31 July 2014											
Issue date	9 June 2014											
Minimum subscription	1,000 euros											
Bond number and ISIN	Equity-linked Bond Global Basic: A550 and FI4000090501 Equity-linked Bond Global Extra: A551 and FI4000090519											
Maturity date	15 August 2019											
Subscription price	Basic: variable, about 102%*, including a premium of about 2%. Extra: variable, about 110%*, including a premium of about 10%.											
Participation rate	Basic: 70% Extra: 150%											
Reference asset	Share basket consisting of ten shares with equal weights: <table data-bbox="370 1191 1276 1366"> <tr> <td>Apple Inc.</td> <td>Novo Nordisk A/S</td> </tr> <tr> <td>Danone SA</td> <td>Sampo</td> </tr> <tr> <td>Capita PLC</td> <td>Skandinaviska Enskilda Banken</td> </tr> <tr> <td>Chevron Corp</td> <td>Telenor ASA</td> </tr> <tr> <td>Total SA</td> <td>Xcel Energy Inc.</td> </tr> </table>		Apple Inc.	Novo Nordisk A/S	Danone SA	Sampo	Capita PLC	Skandinaviska Enskilda Banken	Chevron Corp	Telenor ASA	Total SA	Xcel Energy Inc.
Apple Inc.	Novo Nordisk A/S											
Danone SA	Sampo											
Capita PLC	Skandinaviska Enskilda Banken											
Chevron Corp	Telenor ASA											
Total SA	Xcel Energy Inc.											
Initial price	6 August 2014											
Final price	1 August 2019											
Yield calculation	<p>The yield paid at maturity is determined based on the performance of the share basket and the participation rate. In calculating the performance of the share basket, the change in the value of the four best performing shares is replaced by 40% irrespective of the actual performance of the shares during the investment period. The performance of the share basket is calculated as the average of the rises and falls in the value of the shares. The performance of each share is calculated as the difference between its initial price and final price in percentages. If the share basket performance is positive, the Basic tranche's yield will be calculated by multiplying the performance by 70% and the Extra tranche's yield by multiplying the performance by 150%. If the share basket value decreases or remains unchanged, no yield will be paid.</p>											

Structuring cost The subscription price includes a structuring cost. The Basic tranche's structuring cost is 3.0%, which is the equivalent of an annual cost of about 0.6%. The Extra tranche's structuring cost is 4.0%, which is the equivalent of an annual cost of about 0.8%. The structuring cost is based on the values of the fixed income and derivative investments included in the note on the valuation date of 16 May 2014. 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 or separate custody fees for the bond.

Places of subscription	Nordea Bank AB Lithuania branch, www.nordea.lt
Repayment of 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 assets. The premium will not be returned. The premium is determined on the basis of the subscription date. The bonds involve a risk of the issuer's insolvency. If an investment is sold on the secondary market before maturity, the secondary market price may be higher or lower than 100%.
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.
Taxation	Potential yield at maturity is subject to tax at source on interest income for natural persons with general tax liability in Finland and for Finnish death estates in accordance with the valid tax legislation.
Custody	Free of charge with Nordea Bank Finland Plc.
Security	The bonds are 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 bonds.

Bonds A550, A551 are issued under the Structured Note Programme (a bond programme reported to the Finnish Financial Supervisory Authority from Ireland) of Nordea Bank Finland Plc dated 20 December 2013 and updated later. The base prospectus in English is also available on the issuer's website at www.nordea.fi/bond. 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 of the investment bonds

Issuer risk

Investment bonds involve a risk of the issuer Nordea Bank Finland Plc'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 credit ratings of Aa3 (Moody's) and AA- (Standard & Poor's, negative outlook). The bonds are unsecured.

Yield risk

The yield of the investment bonds is determined in accordance with the yield calculation method and on the basis of the reference asset's performance. The performance in accordance with the yield calculation method may differ from that of a direct investment in the reference asset during the investment period. Any dividend income from the reference asset will not necessarily be included in the yield received by the investor.

Premium risk

A 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.

Secondary market risk

If the investor sells the investment on the secondary market before maturity, the repurchase price may be higher or lower than its nominal value. In normal market conditions Nordea Bank Finland Plc quotes a secondary market price on the investment on nominal values of 1,000 euros or more.

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.



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