

Equity-linked Stars of the Research – Global Basic & Extra



Equity-linked Stars of the Research – Global

Equity-linked Stars of the Research – Global is a bond issued by Nordea Bank Finland Plc with a maturity of about six years. It offers an attractive opportunity to effectively diversify your investment. Equity markets in the developed countries have seen a prolonged rise and the global economy are expected to continue growing in the near future. Increased market uncertainty emphasises the importance of diversification. Equity-linked Stars of the Research – Global provides an attractive investment alternative, as a return will be paid on the investment if share prices rise, but the bond's nominal capital is protected and will be paid back in full at maturity even if share prices decline.

Share basket

The yield on Equity-linked Stars of the Research – Global is based a share basket consisting of ten shares selected from the Global 30 recommendation list published by Nordea Investment Strategy & Advice. Global 30 is a recommendation list consisting of 30 attractive global shares from a number of different sectors. Several factors are considered when equities are chosen for the recommendation list, such as Nordea's investment strategy and estimates of the general trend in the equity market and each company's sector. All companies in the basket have equal weights. The recommendations in the table on the right are based on the situation on 16 July 2014.

Companies in the share basket

Company	Recommendation	Sector	Country
Apple Inc	Hold	Technology	United States
Danone	Buy	Consumer goods, non-cyclical	France
Capita PLC	Buy	Consumer goods, non-cyclical	United Kingdom
Chevron Corp	Buy	Energy	United States
Eastman Chemical Co	Strong Buy	Basic materials	United States
Novo Nordisk A/S	Strong Buy	Consumer goods, non-cyclical	Denmark
Sampo Plc	Buy	Financials	Finland
Intel Corp	Buy	Technology	United States
Telenor ASA	Buy	Communications	Norway
Xcel Energy Inc	Buy	Public services	United States

Source: Bloomberg
Recommendations from the Global 30 list published by Nordea Investment Strategy & Advice.

Yield table: Equity-linked Stars of the Research – Global Basic*

Change in the share basket	Participation rate	Yield	Nominal value	Final value	Yield p.a.*
150%	70 %	105%	100 %	205%	12.3 %
125%	70 %	88%	100 %	188%	10.7 %
100%	70 %	70%	100 %	170%	8.9 %
75%	70 %	53%	100 %	153%	6.9 %
50%	70 %	35%	100 %	135%	4.8 %
25%	70 %	18%	100 %	118%	2.4 %
0%	70 %	0%	100 %	100%	-0.3 %
-25%	70 %	0%	100 %	100%	-0.3 %
-50%	70 %	0%	100 %	100%	-0.3 %
-75%	70 %	0%	100 %	100%	-0.3 %
-100%	70 %	0%	100 %	100%	-0.3 %

Yield table: Equity-linked Stars of the Research – Global Extra*

Change in the share basket	Participation rate	Yield	Nominal value	Final value	Yield p.a.*
150 %	170%	255%	100 %	355%	21.6 %
125 %	170%	213%	100 %	313%	19.0 %
100 %	170%	170%	100 %	270%	16.1 %
75 %	170%	128%	100 %	228%	12.9 %
50 %	170%	85%	100 %	185%	9.1 %
25 %	170%	43%	100 %	143%	4.4 %
0 %	170%	0%	100 %	100%	-1.6 %
-25 %	170%	0%	100 %	100%	-1.6 %
-50 %	170%	0%	100 %	100%	-1.6 %
-75 %	170%	0%	100 %	100%	-1.6 %
-100 %	170%	0%	100 %	100%	-1.6 %

*In yield calculation the change in the value of the four best performing shares is replaced with 30%. Read more on the yield calculation on page 3. 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 below 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 30% irrespective of the actual performance of the shares during the investment period. The performance of the share basket is the average of the value performance of the shares calculated in this way. The performance of each share is calculated by dividing the difference between its final price and initial price by the initial price. The initial price is the closing price of the share on 29 October 2014. The final price is the closing price of the share on 1 October 2020.

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 170%. If the share basket performance in accordance with the issue terms is zero or negative, no yield is paid.

The nominal capital will be fully 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 top four shares in the basket is replaced with 30%. At the bottom of the table, you can see how much the Basic and Extra tranche would yield at these performance figures. The information presented here is intended as an example and does not reflect the product's historical or expected performance.

Example 1: Strong rise

Equity	Initial price	Final Price	Performance	Performance used in yield calculation
1	100	300	200%	30%
2	100	270	170%	30%
3	100	260	160%	30%
4	100	250	150%	30%
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:				65%

Share								
	Share basket	x	Participation rate	+	Repayment	=	Maturity value	Annual yield*
Basic	65%		70%		100%		146%	6.1 %
Extra	65%		170%		100%		211%	11.4 %

Example 2: Minor rise

Equity	Initial price	Final Price	Performance	Performance used in yield calculation
1	100	170	70%	30%
2	100	160	60%	30%
3	100	150	50%	30%
4	100	140	40%	30%
5	100	125	25%	25%
6	100	120	20%	20%
7	100	120	20%	20%
8	100	115	15%	15%
9	100	110	10%	10%
10	100	90	-10%	-10%
Average:				20%

Share								
	Share basket	x	Participation rate	+	Repayment	=	Maturity value	Annual yield*
Basic	20%		70%		100%		114%	1.9 %
Extra	20%		170%		100%		134%	3.3 %

Example 3: Strong decline

Equity	Initial price	Final Price	Performance	Performance used in yield calculation
1	100	110	10%	30%
2	100	100	0%	30%
3	100	80	-20%	30%
4	100	65	-35%	30%
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:				-28%

Share								
	Share basket	x	Participation rate	+	Repayment	=	Maturity value	Annual yield*
Basic	0%		70%		100%		100%	-0.3 %
Extra	0%		170%		100%		100%	-1.6 %

* 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.

Subscription information

Issuer	Nordea Bank Finland Plc; credit ratings Aa3 (Moody's, negative outlook) and AA- (Standard & Poor's, negative outlook).											
Subscription period	15 September - 23 October 2014											
Issue date	15 September 2014											
Minimum subscription	1,000 euros											
Bond number and ISIN	Equity-linked Stars of the Research – Global Basic: A644 and FI4000090667 Equity-linked Stars of the Research – Global Extra: A645 and FI4000090675											
Maturity date	15 October 2020											
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: 170%											
Reference asset	Share basket consisting of ten shares with equal weights: <table data-bbox="370 1160 1120 1332"> <tr> <td>Apple Inc</td> <td>Novo Nordisk A/S</td> </tr> <tr> <td>Danone</td> <td>Sampo Plc</td> </tr> <tr> <td>Capita PLC</td> <td>Intel Corp</td> </tr> <tr> <td>Chevron Corp</td> <td>Telenor ASA</td> </tr> <tr> <td>Eastman Chemical Co</td> <td>Xcel Energy Inc</td> </tr> </table>		Apple Inc	Novo Nordisk A/S	Danone	Sampo Plc	Capita PLC	Intel Corp	Chevron Corp	Telenor ASA	Eastman Chemical Co	Xcel Energy Inc
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Danone	Sampo Plc											
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Eastman Chemical Co	Xcel Energy Inc											
Initial price	29 October 2014											
Final price	1 October 2020											
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 30% irrespective of the actual performance of the shares during the investment period. The performance of each share is calculated by dividing the difference between its final price and initial price by the initial price. The performance of the share basket is the average of the value performance of the shares calculated in this way. If 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% and the yield on the Extra tranche by the participation rate of 170%. If the share basket performance in accordance with the issue terms is zero or negative, no yield is paid.											

Structuring cost The subscription price includes a structuring cost. The structuring cost of the Basic tranche is 3.5%, which is the equivalent of an annual cost of about 0.6%. The structuring cost of the Extra tranche is 4.5%, 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 26 August 2014. The structuring cost includes all expenses incurred by the issuer from the note, 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 repays 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 Lithuania 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 A644 and A645 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 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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