Portfolio Bonds

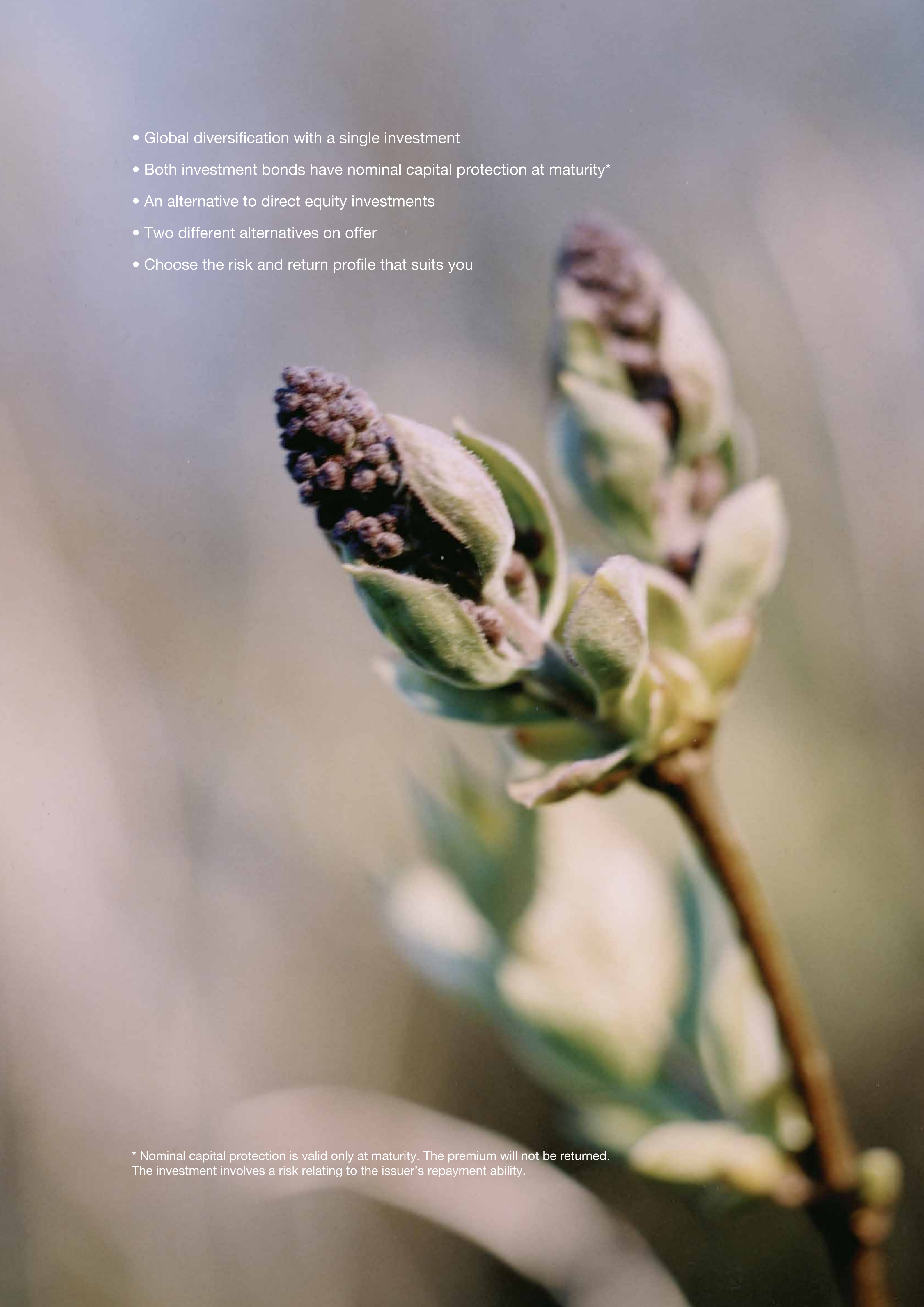
Balanced | Growth

SALE PERIOD:
7 September–17 December 2015

INVESTMENT PERIOD:
About 6 years

REFERENCE ASSETS:
Three equity indices tracking the US, European and Pan Asian markets

YIELD:
If the price of the reference index basket is higher at maturity than on the starting date, the performance of the index is multiplied by the participation rate of 65 % in Balanced alternative and by the participation rate of 125 % in Growth alternative.



- Global diversification with a single investment
- Both investment bonds have nominal capital protection at maturity*
- An alternative to direct equity investments
- Two different alternatives on offer
- Choose the risk and return profile that suits you

* Nominal capital protection is valid only at maturity. The premium will not be returned.
The investment involves a risk relating to the issuer's repayment ability.

Portfolio Bonds

Portfolio Bonds offer the opportunity to make a safer investment, particularly to savers who wish to take advantage of the high expected return in the equity market but are unwilling to expose themselves to the risks of the equity market through direct investments.

Investors can choose between the Balanced and Growth alternatives to pick the saving solution that suits their needs the best. Both alternatives of the Investment Bonds have full nominal capital protection. The bonds involve a risk relating to the issuer's repayment ability and a premium, which is not repaid.

The European, US and Pan Asian markets make up the majority of the global economy and equity markets. The reference assets of the Investment Bonds are three equity indices that reflect the performance of these three economic areas. The bonds seek a strong return by utilising Nordea's investment strategy when determining the weights of the equity indices. The Investment Bonds on sale now have the following weights: Europe 45%, United States 40% and Pan Asia 15%.

Source: Investment Product Sales, Nordea Markets

* The bonds involve an issuer risk. The bonds involve a premium which will not be repaid.

” Global diversification with a single investment

Market review

Uncertainty in the air
After a long bull run, the markets have experienced some uncertainty lately. Equities have not performed as steadily and strongly as before, and the bond market has shifted away from declining yields to a more or less flat trend. The global economy is not slipping into a recession but a number of uncertainties have made investors adjust their view on the markets' future performance.

Early this summer, the arm-wrestling among eurozone countries over the Greek debt crisis and the "close call" with Greece's exit from the common currency are weighing on European equities. Later in the summer, the sharp decline in the Chinese equity market and the subsequent devaluation of the yuan began to take their toll on investor confidence in the Chinese economy. The commodities market also declined as a reaction to China's economic woes. A major problem with the Chinese market has been the lack of reliable data, as the country's official statistics do not always offer the most comprehensive or best quality information. This lack of transparency and uncertainty have created a fertile ground for speculation, which results in higher volatility in the market's performance.

Neutral weight in equities
The overall economic and market outlook is still supportive of the equity market, as global growth remains reasonable and corporate earnings are good. However, we feel the uncertainty over China is reason enough to downgrade our long-standing overweight recommendation, and therefore we now have equities in neutral weight. Only time will tell whether the markets' concerns over China's economy being weaker than previously estimated are well-founded or overblown, but a certain degree of cautiousness is due.

As opposed to China, the economic outlook in the US and Europe appears rather stable despite the negative news from Greece, as the latter's effects on these economies is minimal. The US economy has also performed steadily and quite strongly, and even if the Federal Reserve were to hike its policy rate, the economy's direction is most likely up. Meanwhile, in the eurozone, the European Central Bank's monetary policy will remain very loose for a long time.

Diversification is key
The price volatility witnessed in recent months in different areas of the equity market supports our thesis that the volatility of an investment portfolio can be controlled by diversifying the investments. This holds true for different asset classes and for various assets within these classes.

You can limit the fluctuation in the value of your portfolio by investing in different regions. For example, if share prices in China experience a sharp decline (as has happened recently), the US and European equity markets can compensate for these losses, providing stability for your portfolio. In other words, diversification is a form of risk management that prevents a single investment from becoming too dominant in the portfolio.

Juha Kettinen,
Strategist, Nordea Wealth Management,
August 2015
Geographical diversification makes use of Nordea's investment strategy

"Diversification utilizes
Nordea's investment strategy

Reference assets

The reference assets of the Investment Bonds are the low volatility indices of the US, European and Pan Asian equity markets, respectively the S&P 500 Low Volatility EUR Index, S&P Europe 350 Low Volatility Index and S&P Pan Asia Low Volatility EUR Index. The reference indices are price indices, which means they do not account for any dividends in determining performance. The indices are denominated in euros.

The companies are selected to the indices every three months based on their historical price volatility. The low volatility indices have historically outperformed their benchmark indices and their performance has been more even. Put simply, investors who have invested in low volatility equities have historically received a higher return than from the benchmark index at a lower price volatility, which means a lower risk.*

S&P 500 Low Volatility EUR Index
The S&P 500 Low Volatility EUR Index has one hundred constituents selected every three months from the renowned S&P 500 Index, which includes some of the largest and best-known US companies. The constituents of the S&P 500 Low Volatility EUR Index come from nine different sectors, the largest of which are financials, non-cyclical consumer goods and utilities. In the long term, the equity index has upside potential due to the strong performance of the US economy which is expected to remain a driver of global economic growth.

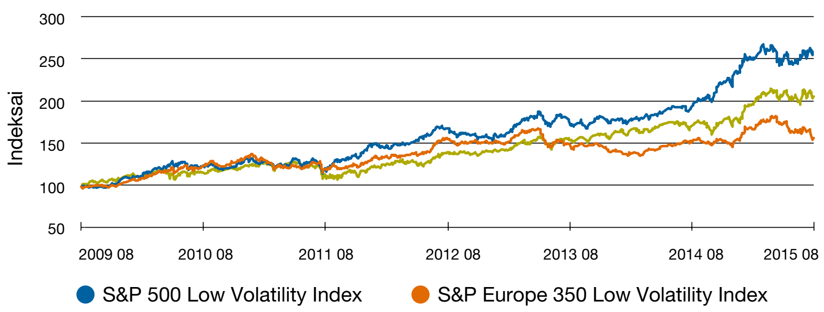
S&P Europe 350 Low Volatility Index
Alongside its US counterpart, the European equity market is one of the most tracked markets in the world. The S&P Europe 350 Low Volatility Index consists of companies from thirteen national equity markets, covering nine different sectors. Companies listed in the United Kingdom have the largest weight in the index, accounting for about 43%. The biggest sector in the index is financials, with a share of about 26.2%. Along with US companies, European listed companies point the way for the global equity market's performance and thus form an essential part of every well-diversified equity portfolio.

S&P Pan Asia Low Volatility EUR Index
In addition to the US and European markets, a balanced equity portfolio should also include investments in the Pan Asian equity markets. The growth and return expectations in the Pan Asian markets are higher than in the developed markets. The same applies to the respective markets' risks. For this reason, the emerging markets should have a moderate weight in an investment portfolio. The S&P Pan Asia Low Volatility EUR Index consists of 49 companies from the equity markets of Singapore, Malaysia, Hong Kong, Australia, Taiwan, Japan, Thailand and the Philippines. The three largest sectors are financials, telecommunication services and industrials, accounting for around 65% of the index's sector diversification.

The index descriptions are in accordance with the situation on 17 August 2015.
More information on the indices is available at: http://us.spindices.com.

* Past performance is not a guarantee of future results.

Historical performance of the equity indices over the past six years*



Starting levels indexed at 100%. The presented figures describe previous yield or value, and no reliable assumptions on future yield or value can be made based on them. Source: Bloomberg 17 August 2015

Yield calculation and repayment of capital

The yield paid at maturity is determined based on the index basket performance and the participation rate. The index basket performance is the weighted average of the performances of the equity indices serving as the reference asset. The performance of each index is calculated by dividing the difference between its final price and initial price by the initial price. The initial price of the indices is the average of their closing values on 7 September 2015, 7 October 2015, 7 November 2015 and 7 December 2015. The final price is the average of the semi-annual closing values of the indices from 4 December 2016 to 4 December 2021. The index basket includes the S&P Europe 350 Low Volatility Index with a weight of 45%, the S&P 500 Low Volatility Index with a weight of 40% and the S&P Pan Asia Low Volatility Index with a weight of 15%.

If the index basket performance is positive in accordance with the yield calculation, the yield will be calculated by multiplying the increase in value by the participation rate of the Investment Bond in question. If the index basket performance in accordance with the issue terms is zero or negative, no yield is paid. The Balanced alternative has a participation rate of 65%, the Growth alternative has a participation rate of 125%.

In the case of the Investment Bonds' Balanced and Growth alternatives, the nominal capital is repaid in full at maturity, regardless of the index basket performance. The Growth Extra alternative is not capital protected, and repayment of its nominal capital is dependent on the index basket performance. The nominal capital will be repaid in full at maturity if the index basket performance is positive or zero. If the index basket performance is negative, an amount corresponding to the percentage decline of the index basket value up to a maximum of 10% will be deducted from the nominal capital to be repaid. Any premium related to the bonds will not be repaid.

Value at maturity = **Nominal capital repaid** + **Increase in the value of the index basket** × **Participation rate**

Choose the risk and return profile that suits you

The calculation examples below illustrate the performance of the Investment Bonds in three different scenarios.*

Positive scenario: Index basket performance in accordance with the yield calculation is 50%

	Index basket performance in accordance with yield calculation	Participation rate	Yield	Repayment of nominal capital	Maturity value	Annual yield
Balanced	50 %	65 %	32,5 %	100 %	132,5 %	3,8 %
Growth	50 %	125 %	62,5 %	100 %	162,5 %	6,4 %

Neutral scenario: Index basket performance in accordance with the yield calculation is 25%

	Index basket performance in accordance with yield calculation	Participation rate	Yield	Repayment of nominal capital	Maturity value	Annual yield
Balanced	25 %	65 %	16,3 %	100 %	116,3 %	1,6 %
Growth	25 %	125 %	31,3 %	100 %	131,3 %	2,9 %

Negative scenario: Index basket performance in accordance with the yield calculation is -20%

	Index basket performance in accordance with yield calculation	Participation rate	Yield	Repayment of nominal capital	Maturity value	Annual yield
Balanced	-20 %	65 %	0 %	100 %	100 %	-0,8 %
Growth	-20 %	125 %	0 %	100 %	100 %	-1,5 %

* The 5% premium for the Balanced alternative and the 10% premium for the Growth alternative has been taken into account in the calculation of the annual yield. 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 return.

The index basket performance in accordance with the yield calculation accounts for the indices semi-annual averaging over the last five years. The performance is 50%, if the annual index basket performance during the investment period is about 10.9%; 25%,if the annual index basket performance is about 6.0%; and -20%, if the annual index basket performance is about -5.9%.

Portfolio Bonds

Investment Bonds are bonds issued by Nordea Bank Finland Plc. Their yield is determined by the performance of their reference asset and the bond-specific yield calculation method. Their reference assets are typically various foreign equity indices. As with direct equity and fund investments, Investment Bonds benefit from a rise in their reference markets but offer at least partial nominal capital protection in the event of the reference markets' decline.

Both alternatives, Balanced and Growth, have full nominal capital protection, which means their nominal capital will be repaid at maturity regardless of the reference asset's performance. The premium will not be returned.

All Investment Bonds have a pre-specified investment horizon, usually around six years. Investment Bonds are sold in denominations of 1,000 euros. Investment Bonds involve a risk of the issuer's insolvency.

Subscription price may vary
The subscription price of the Investment Bonds issued by Nordea may fluctuate during the subscription period. The fluctuation in the subscription price is caused by movements in the fixed income and equity markets. If the subscription price is more than 100%, the Investment Bond involves a premium risk. The premium will not be returned.

Investment Bonds can also be bought and sold during the investment period
In normal market conditions investors do not have to wait until the maturity date to sell their investment. 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 100% nominal capital protection is only valid at maturity.

" An alternative to direct equity investments

Building blocks of the Investment Bonds

The invested nominal capital is divided into a fixed income investment, a yield component and a structuring cost. In addition, the Investment Bonds involve a premium. The enclosed illustration presents the building blocks for the two different Investment Bonds.

Fixed income investment:

A certain proportion of the nominal capital is invested in the fixed income market in order to provide the potential nominal capital protection at maturity. The higher the percentage of the nominal capital that is protected, the more nominal capital must be invested in fixed income instruments.

Yield component:

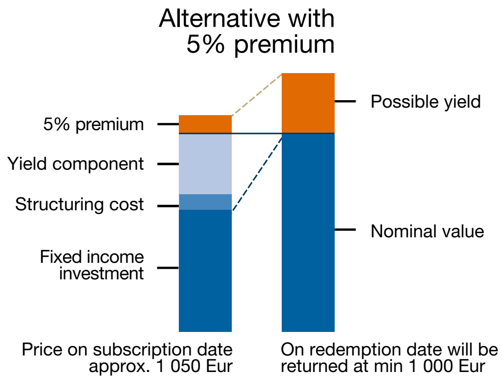
The yield component makes it possible to benefit from the reference asset's positive performance. The amount of nominal capital left after the fixed income investment and the structuring cost is invested in the yield component.

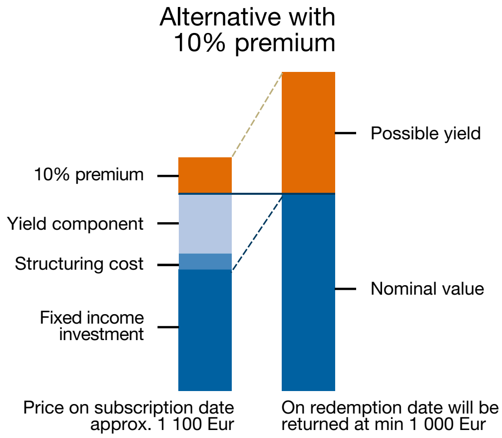
Structuring cost:

The structuring cost covers all expenses incurred by the issuer from the Investment Bonds, such as issuing, licensing, material and marketing costs.

Premium:

The premium is the part of the subscription price that exceeds the nominal capital and is used for the yield component. The higher the premium, the larger the yield component. This, in turn, leads to a higher participation rate. The premium will not be returned.





Risks of the Investment Bonds

Issuer risk
The 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 case, 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 by Moody's (stable outlook) and AA- by Standard & Poor's (negative outlook). The bonds are unsecured.

Foreign exchange rate risk
The investment is denominated in euros, but some of the companies included in the reference index are denominated in currencies other than the euro. Therefore the investor is indirectly exposed to a foreign exchange risk, as the prices of shares denominated in foreign currencies are converted into euros at the prevailing exchange rate when calculating the index. Any changes in foreign exchange rates may have a negative impact on the performance of the investment. The reference indices are however denominated in euros.

Yield and market risk
The Investment Bonds' yield at maturity is determined on the basis of the reference indices' performance in accordance with the yield calculation. The performance in accordance with the yield calculation differs from that of a direct investment in the reference index during the investment period. The reference indices of the Investment Bonds are price indices. This means that when calculating the index's value, any dividends paid on the shares included in the index are disregarded.

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 amount of the premium depends on the bond-specific premium (5% or 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 (5% or 10%) intended at the time of issue.

Secondary market risk
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. If the investor sells the equity-linked note on the secondary market before maturity, the repurchase price may be higher or lower than the nominal value of the note.

Risk classification for the balanced and growth alternatives*

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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 at maturity and 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.

Product-specific information on the Portfolio Bonds

BALANCED

Subscription price	Participation rate	Bond number and ISIN
Variable, about 105%*	65%	B083 and FI4000149505

GROWTH

Subscription price	Participation rate	Bond number and ISIN
Variable, about 110%*	125%	B084 and FI4000149513

Sale period
7 September–17 December 2015
Issuer
Nordea Bank Finland Plc; credit ratings Aa3 (Moody's, stable outlook) and AA- (Standard & Poor's, negative outlook).
Issue date
7 September 2015
Maturity
18 December 2021
Minimum subscription
EUR 1,000
Places of subscription
Nordea Bank AB Lithuania branch, www.nordea.lt
Reference asset
Index basket consisting of three equity indices with specific weights:
S&P Europe 350 Low Volatility Index, weight 45%
S&P 500 Low Volatility EUR Index, weight 40%
S&P Pan Asia Low Volatility EUR Index, weight 15%
Initial price
The average of the reference indices' closing values on 7 September 2015, 7 October 2015, 7 November 2015 and 7 December 2015.
Final price
Average of the semi-annual closing prices of the reference indices from 4 December 2016 to 4 December 2021.
Yield calculation
The yield paid at maturity is determined based on the index basket performance and the bond-specific participation rate. The index basket performance is the weighted average of the performances of the indices serving as the reference asset. The performance of each index is calculated by dividing the difference between its final price and initial price by the initial price. The final and initial prices are calculated as the averages of the closing values on the dates specified above. If the index basket performance is positive, the yield will be calculated by multiplying the increase in value by the bond-specific participation rate. If the index basket performance is zero or negative, no yield is paid.
Repayment of capital
The issuer will repay the nominal capital of the bonds at maturity, regardless of the reference asset's performance. The premium will not be returned. The premium is determined on the basis of the subscription date. Investment Bonds involve a risk of the issuer's insolvency.
Structuring cost
The structuring cost is about 3.5%, which is the equivalent of an annual cost of about 0.6%. 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 17 August 2015. 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.
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 Cancellation
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 on the stock exchange.

* According to the market situation on 17 August 2015

Bonds B083 and B084 are 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 19 December 2014. The base prospectus in English is also 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.


11.09.2015