

Index-linked bond Commodity Companies Basic and Extra

The recovery of the global economy generates demand for commodities. Demand is estimated to increase more rapidly than supply, which will cause price pressure in the future. Companies' earnings have been a positive surprise, and equity markets have been on an upward trend. By investing in the index-linked bond Commodity Companies you can benefit from the share price rise of selected commodity companies without the risk of losing the capital.

Commodity Companies Basic

- Investment period about 5 years
- Nominal capital protected at maturity
- Reference basket includes shares of 10 commodity companies
- Change in value of one share is taken into account up to 70%
- Participation rate 70%
- Sales price variable, about 100%

Commodity Companies Extra

- Investment period about 5 years
- Nominal capital protected at maturity
- Reference basket includes shares of 10 commodity companies
- Change in value of one share is taken into account up to 70%
- Participation rate 135%
- Sales price variable, about 110%

The financial crisis and the global recession crashed raw material prices in late 2008. Governments' massive stimulus measures and central banks' expansionary monetary policy have started to kick in and the pieces in the global economic puzzle seem to be falling into place. The recent positive economic figures and the leading indicators published in the summer support the recovery more clearly than before.

The picking up of industrial production and governments' infrastructure investment increase demand for commodities but the recession has slackened investment in new production capacity. Supply will not necessarily grow hand in hand with demand, which causes price pressure on commodity prices. In the long term the industrialisation of emerging economies, such as China and India, is expected to increase demand for commodities, for example, oil, industrial metals and gold.

With the index-linked bond Commodity Companies you can invest in commodity companies worldwide and benefit from the potential price rise of oil, energy and metals. Commodities also provide the investor with protection against inflation. Commodity Companies is a five-year investment and its nominal capital is protected at maturity.

Two alternatives: Basic and Extra

The index-linked bond Commodity Companies is issued by Nordea Bank Finland Plc. The maturity is about five years. The yield is based on the share price performance of the 10 companies constituting the reference asset. There are two alternatives: Basic and Extra. The alternative Basic is suitable for a cautious investor. Its yield at maturity is 70% of the increase in the value of the reference asset in accordance with the terms of issue. Extra suits investors who tolerate limited risk and seek a higher return. Its yield at maturity is 135% of the rise in the value of the reference asset in accordance with the terms of issue. If the value of the basket that forms the reference asset falls or remains unchanged, no yield is paid. In any case, the nominal capital will be repaid to the investor at maturity. The performance of the reference asset is the difference between its starting value and final value. The final value is the average of the monthly observations during the last 12 months.

The nominal capital of the index-linked bond Commodity Companies is protected at maturity.

The investor may lose the amount of capital invested exceeding the nominal value either partially or in full. In the Extra bond this "premium risk" is about 10%. The investor can sell the bond before maturity, in which case the repurchase price may be higher or lower than the nominal value. The index-linked bond can be bought or sold on the secondary market every day on which banks are generally open in Finland. The index-linked bond involves a risk of Nordea's repayment ability. Nordea's credit ratings are Aa2 (Moody's) and AA- (Standard & Poor's). The bond is unsecured.

Product features					
Investment period	Short	Medium		Long	
Capital protection	Protected*	Partially protected**		No protection	
Target market	Fixed income	Company risk	Currency	Commodity	Share

* Basic

** In Extra limited premium risk (ca 10%)

Reference asset – Commodities Companies

The reference asset consists of a basket of 10 companies with equal weights. The selected companies are international companies which are engaged in production of oil and energy or metals, for instance. Read more about the companies and the observations of Nordea Equities Finland on pages 5–7.

Weight	Company	Country	S&P STARS ¹
1/10	Anglo American	USA	3
1/10	Barrick Gold corporation	USA	3
1/10	Gazprom	Russia	-
1/10	Newmont Mining	USA	3
1/10	Outokumpu	Finland	3
1/10	Petrobras	Brazil	4
1/10	PetroChina	China	5
1/10	Rio Tinto	Australia	3
1/10	StatoilHydro	Norway	4
1/10	Transocean	Switzerland	5

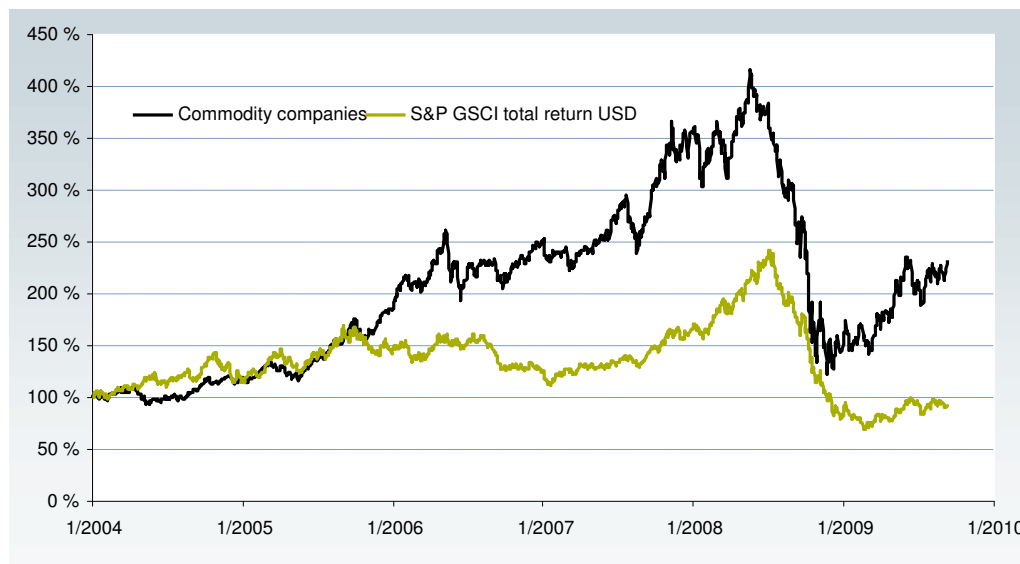
¹ Standard & Poors share rating STARS (8/2009). Grades 1–5.

1 = Strong sell recommendation, 5 = Strong buy recommendation.

Performance of the reference asset and S&P GSCI total return index Jan 2004–April 2009

The S&P GSCI total return index reflects the general trend in commodity prices in the world economy. The weights of different commodities are determined by their production. The weight of energy is 65%, the weight of industrial metals around 6% and the weight of precious metals some 4%.

Starting level indexed at 100%. Source: Bloomberg.



The presented figures describe previous yield or value performance and no reliable assumptions on future yield or value can be made based on them.

Yield calculation

The yield paid on the investment at maturity is calculated as the change between the reference asset's starting and final values; however, the rise in the value of a single share will only be taken into account up to 70%. In the alternative Basic the positive change in value is multiplied by the participation rate 70% and in the alternative Extra by the participation rate 130%. See the yield calculation example below.

Example of yield calculation

Share	Starting value	Final value	Change, %	Change to be observed in yield calculation
Share 1	100	220	120%	70%
Share 2	100	180	80%	70%
Share 3	100	165	65%	65%
Share 4	100	160	60%	60%
Share 5	100	160	60%	60%
Share 6	100	155	55%	55%
Share 7	100	155	55%	55%
Share 8	100	135	35%	35%
Share 9	100	85	-15%	-15%
Share 10	100	70	-30%	-30%
Average change in reference asset = 49%			Change in reference asset in acc. with issue terms = 43%	

Change in reference asset = change in shares in total/number of shares

Value at maturity	Change in reference asset	x	Participation rate +	Refund of capital	=	Value at maturity	Yield p.a.
Basic	43%		70%	100%		129.8%	5.3%
Extra	43%		135%	100%		157.4%	7.4%

Maximum value at maturity	Yield p.a.	Minimum value at maturity	Yield p.a.
Basic	149.0%	Basic	100%
Extra	194.5%	Extra	100%

Maximum yield Basic: 70% X 70% = 49%

Maximum yield Extra: 70% X 135% = 94.5%

Terms of issue in brief

Issuer	Nordea Bank Finland Plc; credit ratings Aa2 (Moody's) and AA- (Standard & Poor's).
Issue date	21 September 2009
Maturity	30 October 2014
Subscription period	21 September–30 October 2009
Places of subscription	Branches of Nordea Bank Finland, Nordea Private Banking, Nordea Customer Service, tel 0200 70 000 on banking days from 10.00 to 16.30 (access codes required; local network charge/mobile call charge), and Nordea's Netbank at nordea.fi if the customer has the portfolio service.
Subscription price	Basic 42xxA: variable, approximately 100% Extra 42xxB: variable, approximately 110%
Minimum subscription	EUR 1,000
Yield at maturity	Basic 4302A: 70% of the rise of the reference asset value in accordance with the issue terms. Extra 4302B: 135% of the rise of the reference asset value in accordance with the issue terms.
Reference asset	

	Company	Bloomberg
1	Anglo American	AAL LN
2	Barrick Gold corporation	ABX UN
3	Gazprom	OGZD LI
4	Newmont Mining	NEM UN
5	Outokumpu	OUT1V FH
6	PetroBras	PBR UN
7	PetroChina	857 HK
8	Rio Tinto	RIO LN
9	Statoil Hydro	STL NO
10	Transocean	RIG UN

Starting value	The closing values of the reference asset shares on 4 November.2009.
Final value	The average of the monthly closing values of the reference asset from 16 October 2013 until 16 October 2014.
Repayment of principal	The issuer Nordea Bank Finland Plc repays the nominal principal of the bonds in full at maturity irrespective of the performance of the reference asset. The bonds involve a risk of the issuer's repayment capacity.

Early redemption	Early redemption is possible only if a hedging instrument has to be dissolved due to amendments to law or legal praxis.
Security	The bonds are unsecured.
Structuring cost	The subscription price includes a structuring cost, which is about 0.8% p.a. (see the terms of issue). No separate subscription or management fee is charged on the bonds.
Secondary market	Nordea Bank Finland Plc quotes 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 and Finnish death estates.
Custody	Free of charge with Nordea Bank Finland Plc.
Cancellation of 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 which the issuer considers might endanger the issue.
Listing	An application will be made for the bonds to be listed on the Helsinki stock exchange.

Bonds 42xxA and 42xxB under the Medium-Term Note Programme (a bond programme reported to the Finnish Financial Supervisory Authority from Sweden in accordance with the Prospectus Directive) of Nordea Bank AB (publ) and Nordea Bank Finland Plc dated 29 May 2009. The bond-specific terms are available at the places of subscription.

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Commodity prices heading upwards after collapse

The short-term growth outlook for the global economy is now better than in a long while, but there are still challenges. The situation of different countries and companies worldwide has improved markedly, and it is quite possible that the correction will be V shaped, as everyone hopes for. Restocking and the monetary and fiscal stimulus packages launched in many countries, combined with increasing other economic activity, will generate rapid economic growth in the following quarters. Global economic activity is important for demand for commodities, which is expected to increase further in the wake of the recovery. The industrialisation of emerging economies, such as China and India, consumes an increasing amount of commodities, for example oil and metals.

The oil price has more than doubled from the bottom level witnessed in December 2008 and is expected to continue rising in the second half of 2009 and in 2010 when the economic situation improves. The oil price is still below a level that would guarantee sufficient investment in future production capacity. The weak finance situation as a result of the low oil price and uncertainty about demand growth have created fears that investment in new capacity will not be adequate to compensate for the decline in production in mature fields. Furthermore, impediments to investment into the OPEC countries, such as increasing protectionism and political instability, may restrict the growth of production capacity in the future. If investment slackens considerably, the oil price may rise sharply in the years to come.

The prices of industrial metals have risen this year more than could have been expected at the beginning of the year. There are several basic factors behind the rise. For

example, the copper stock of the London Metal Exchange has shrunk considerably, as demand from China has been robust. There have been suspicions that the Chinese demand may start to weaken as suddenly as it started to strengthen. This has not happened yet, and the budding recovery of production worldwide may well balance the potential slackening of demand from China. In the long term, however, the industrialisation of emerging countries such as China and India is essential in terms of demand.

A number of factors are still in favour of a rise in the price of gold. Firstly, low short rates reduce the opportunity cost for possession of gold. Secondly, global investment in mines has been on a decline for the last 10 years. When the gold price remained low in the 1990s, prospecting for new deposits diminished considerably. Production of gold is forecast to remain at a standstill for the next few years, as old deposits run dry. The simultaneously increasing demand will cause upward price pressure. Furthermore, the high volatility of the leading currencies may boost the role of gold as an investment instrument for global currency reserves.

Source: Nordea Economic Research, Standard & Poor's

Reference asset of index-linked bond Commodity Companies

The reference asset of the index-linked bond Commodity Companies is a basket of ten shares. Read more about Nordea Equities Finland's view on the companies in the basket and their future outlook. The views are based on the share analysis of Standard & Poor's and the observations of Nordea Equities Finland.

Anglo American

Anglo American is one of the world's leading mining companies. It is engaged in ore prospecting and extraction all over the world. After having sold off a number of small business areas, Anglo American is now purely a mining company. The company prospects for and extracts a wide variety of raw materials. The key business area is prospecting and extraction of base metals. The company's product range also includes coal and diamonds. Historically, its share price has closely followed the price performance of raw materials. The surge in metal prices in the past few years has made Anglo

American invest more in expansion of existing mines and new mines, and the company's production capacity will increase this year due to its extensive investment programme. Thanks to the company's project on optimisation of mining operations, it stands a good chance to streamline production and thereby improve earnings in the future.



Barrick Gold Corporation

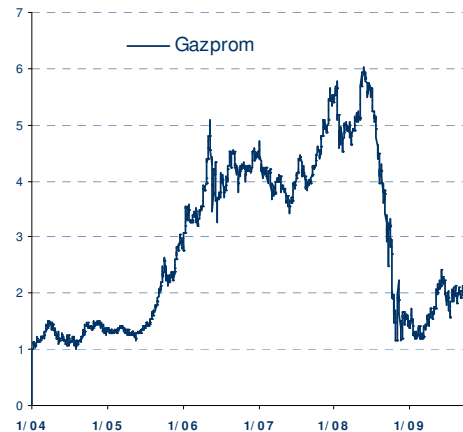
Barrick Gold Corporation is one of the biggest gold companies in the world. The geographical range of the company's operations is advantageous. It has 27 operating mines and 7 gold prospecting projects on five different continents. The company has performed well in the past few years. During 1998–2008 it was able to swell its net sales by 3.9% on average and EPS by 0.8% on average. The company's strategy is to expand its gold reserve by developing or buying long-term cost-effective mines. Furthermore, it plans to reduce its hedging against changes in the gold price, and the



company's earnings can consequently be expected to follow the market price of gold even more closely than before. Based on this, and due to investment that increases the company's gold reserve as well as expanding copper mine operations, EPS is expected to continue rising.

Gazprom

Gazprom is one of the leading energy companies in the world. It is a global producer and distributor of natural gas. The Russian government owns the majority of its share capital. The company is in possession of the biggest natural gas deposits in the world and it produces around 17% of the world's natural gas. The company also owns the widest distribution network of natural gas in the world. Gazprom aims to strengthen its position further by entering into new markets, diversifying its operations and ensuring the reliability of its production. It is also part of the company's strategy to ensure the availability of gas to its European customers. As a result, Gazprom initiated the Nord Stream project in cooperation with German energy companies. The objective is to secure smoothly running gas deliveries to Europe through a gas pipe running on the bottom of the Baltic Sea. Gazprom is a majority shareholder in the joint venture Nord Stream AG, which was set up for the purpose of the project.



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Newmont Mining Corp.

Newmont Mining Corp. is one of the biggest gold producers in the world. It has production and gold reserves in North and South America, Australia, New Zealand, Africa and Indonesia. Besides gold, the company produces copper in Indonesia. The company performed excellently during 1998–2008: annual net sales increased by 18% on average and EPS by 29%. The company's position and future outlook have improved considerably as a result of a few significant acquisitions, and according to its strategy the company aims to increase its portfolio of cost-effective mines further. In 2007 the company gave up its hedging against fluctuations in



the market price of gold in order for the shareholders to benefit more from the forecast rise in the gold price. Despite the recession, the company's EPS for 2009 is expected to increase from the previous year, as the gold price has gone up and the company has increased its production of gold. In the long term, EPS is expected to improve due to the higher gold price, acquisitions and expansion investments.

Outokumpu

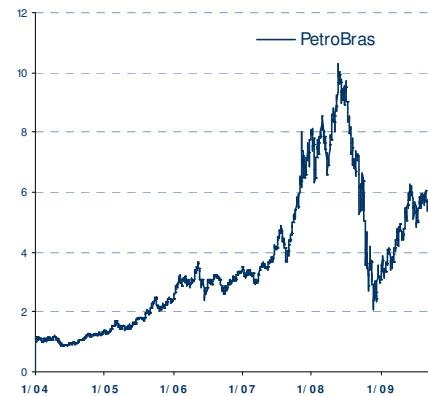
Outokumpu is one of the leading manufacturers of stainless steel in the world. By production capacity it is among the five biggest operators in its field. Outokumpu's principal market is in Europe. According to estimates, it is operationally more efficient than its competitors. The company's operations are cyclic by nature, and demand and supply of stainless steel, which are dependent on business cycles, have a material impact



on the company's earnings outlook. The base prices of stainless steel are expected to start rising gradually as the economic outlook stabilises. At present Outokumpu is trying to achieve a more stable operating model and aims to focus more on manufacturing value added specialty products. Outokumpu is able to bill the costs for its raw materials, eg nickel, to its customers. The rising price of nickel will improve the company's earnings through inventory gains. In the past the company's share price has correlated strongly with the price of nickel. The company's situation is boosted by its solid financial position, stronger cash flow and improving operational profitability as a result of cost savings.

Petrobras

Petrobras is one of the world's biggest oil companies with a dominant position in Brazil. The biggest shareholder is the Brazilian government, which eases the company's domestic operations because, according to Brazilian law, the state owns the country's oil and gas reserves. The company is involved in the entire value chain of oil production and distribution from prospecting and production to refining and distribution. The company is also engaged in production and distribution of natural gas in Brazil and abroad. Even though the company's oil reserves in South America have recently shrunk, it has been able to replace them more cost-effectively than its domestic competitors and at the same pace as international competitors. Thanks to successful investment in offshore drilling, the company's oil production is expected to increase by 7% in a year during 2008-2013. The recession is expected to erode the earnings for 2009, but significant growth is anticipated already in 2010.



PetroChina

PetroChina is one of the world's biggest oil companies measured by its market capitalisation as well as oil reserves. It is a market leader in China. Besides oil and gas production, PetroChina refines oil into petrol and fuel oil. There has been pressure on the margins of companies such as PetroChina on the refinement side, as the Chinese authorities previously restricted the price of petrol. The price restrictions have now been removed, so the situation of companies whose core operations include refining should improve markedly. This should highlight PetroChina's value even more than before. Furthermore, PetroChina's sizeable reserves support a positive view of its oil and gas production. The management focuses on production outside China, which should underpin production growth in the future. The strong balance sheet improves the company's position, and it is well positioned to achieve organic growth as well as growth by acquisitions.



Rio Tinto

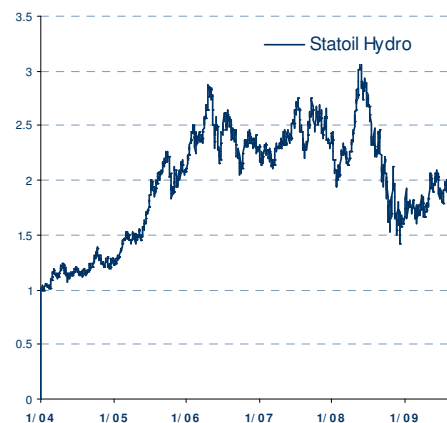
Rio Tinto is one of the biggest mining companies in the world operating on six continents. It is the world's biggest coal extractor. In addition, it produces



industrial minerals, aluminium, copper, diamonds and gold. The industrialisation of China and India will provide a solid basis for growth in the future. In 2009 net sales and earnings are expected to drop from the previous year due to the recession. In the midst of the recession, the company's position is improved by sizeable cost cutting, disposals of assets and the directed share issue which enables the company to raise USD 15bn of additional capital for the repayment of debts. Rio Tinto has set up a joint venture with BHP Billiton. The current net value of the synergies is estimated to be USD 10bn from Rio Tinto's perspective. Net sales are expected to return to a growth track during 2010 as industrial production recovers in the industrialised countries.

Statoil Hydro

StatoilHydro is the world's third biggest seller of crude oil and one of the biggest gas suppliers. The company is the leading offshore oil producer in the world and its drilling technology is highly advanced. Production has gradually dropped in the company's main operating area (Norwegian continental shelf), but to balance this StatoilHydro has intensified prospecting for new deposits globally, especially in the offshore waters of Angola and the Mexican Gulf. Statoil is an interesting company whose share price is determined by the price of oil and gas. The current share price is believed to have upward potential, as the oil price is expected to rise in the long term and the company has an attractive production profile. Furthermore, the company has a strong portfolio of projects where production will be started in a few years. This, combined with international fields under construction, will support steady production growth until 2012.



Transocean

Transocean is the world's biggest oil drilling rig company.

It is primarily engaged in offshore drilling. In November 2007 Transocean bought GlobalSantaFe, the second biggest rig company in the world. The company has 146 drilling rigs altogether. 66 of them can be used in shallow water and 80 in deep and ultra-deep water. The company's rigs can endure very harsh weather conditions and are operable in remarkably deep seas. Transocean's biggest clients are large oil companies, such as BP, Chevron and Petrobras. Transocean provides a good opportunity to invest in one of the biggest and best offshore rig companies in the energy sector at a low valuation. Its rigs have a high capacity utilisation rate and its order book is full. Earnings growth is stable. This is expected to show in the share valuation in the future. The value of undelivered orders is USD 38.7bn, which corresponds to the company's net sales for three years.

