

# Product and Risk Description

## Purpose

This document provides you with key information about this product. The information is intended to help you understand the nature, risks, costs, potential gains and losses of this product.

## Summary

<b>Product name</b>	Equity Capped Booster Asian Quanto Basket
<b>Issuer of this document</b>	Nordea Bank Abp (hereafter "Nordea")
<b>Regulated by</b>	Finnish Financial Supervisory Authority
<b>Produced</b>	19.05.2020

## What is this product?

### Description

An equity Capped Asian Booster quanto basket option (CABO) is an agreement between two parties and consists of one bought Asian quanto basket (referred to as "AQB") option, one sold put AQB option and one sold out of the money call option. AQB means that the underlying instrument – an individual share, an individual index or a basket of shares or indices – can have initial and final fixing values calculated as arithmetic averages of the instrument's price on specified observation dates (so called "Asian" feature) and that the notional amount can be specified in a different currency than the denomination currency of the underlying instrument (so called "quanto" feature). Notional on the bought and sold call is the same and is higher than or equal the notional on the sold put. AQB option gives the buyer the right, but not the obligation, to buy (call) or sell (put) the underlying instrument at a specified price (strike price) on a specified future date (expiry date, can involve several preceding observation dates) and settled on the maturity date.

The performance of the underlying instrument is measured at expiry by dividing the calculated final fixing value by the calculated initial fixing value and then subtracting the strike price (call) or subtracting the calculated division from the strike price (put); in both cases strike price is measured in relation to the calculated initial fixing value in percentage terms.

The agreement is binding for the seller of the equity CABO option. However, it may be possible to terminate the agreement before the maturity date. As the market value of the agreement may have changed since it was initiated, an early termination usually involves a payment of the present market value to the buyer.

Non-listed equity options, such as equity call/put spread AQB options, are non-standardised products where trade details like time to maturity and strike prices of the option are individually agreed on. The price (premium) is subject to change until the transaction is agreed upon.

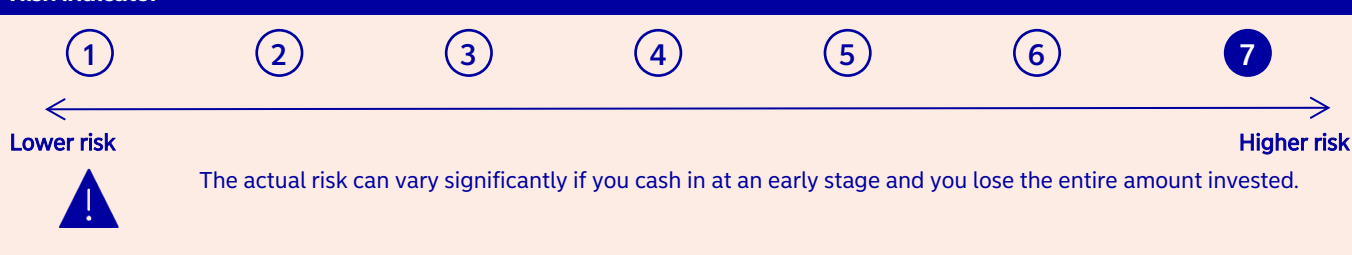
Non-standardised equity options are traded and settled through the broker issuing the option. The options will adhere to the rules set out by ISDA.

### Intended investor

The product Equity Capped Booster Asian Quanto Basket is aimed at professional clients and eligible counterparties, who are interested in capital growth, hedging, leveraged participation and income. The Equity Capped Booster Asian Quanto Basket is a product for informed investors and advanced investors.\* The intended retail investor has a high risk tolerance.

## What are the risks and what could I get in return?

### Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products with a similar risk profile sold by Nordea. It shows that the potential risks that the product will lose money because of movements in the markets or because the issuer of this product or the counterparty (which may be Nordea), as applicable, is not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class.

The risk and profit/loss descriptions relate to this product only. If this product is combined with other products or commercial positions, the total portfolio will have a significantly different profile than the one for this product alone.

\* Informed investors have average knowledge of relevant financial products and/or some financial industry experience. Advanced investors have good knowledge of relevant financial products and transactions, and/or financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service.

When buying an equity CABO, the loss is limited to the notional on the put and the potential profit is limited to the difference in strike between the bought and sold call times the call notional. When selling an equity CABO, the potential profit is limited to the put notional and the loss is limited to the difference in strike between the bought and sold call times the call notional.

As an equity CAPO option is effectively a package of three call/put AQB options, it is not possible to unambiguously state the effect of general market movements on the market value of the agreement.

If the equity ABO notional is denominated in a currency different from the denomination currency of the underlying instrument, the equity ABO is also subject to risk with regard to changes in the FX rate between those two currencies and the correlation between the FX rate and the performance of the underlying instrument. This will, however, neither affect the market value at expiry nor the payout at maturity.

As non-standardised equity options are not listed on a stock exchange or similar authorised market, the liquidity will be lower than for a listed equity option, which can make pricing less efficient.

Equity Capped Booster Asian Quanto Basket		
Market Parameters	Influence on market value when increasing	Influence on market value when decreasing
Not Applicable	Not Applicable	Not Applicable

## What happens if Nordea Bank Abp [LEI: 529900ODI3047E2LIV03] is unable to pay out?

You are exposed to the risk that the issuer of this product or the counterparty (which may be Nordea), as applicable, might be unable to fulfil its obligations in respect of the product e.g. in the event of insolvency, an administrative order or bail-in. The product is not covered by any deposit protection scheme. Thus, you could lose the entire amount invested.

## What are the costs?

The total costs take into account one-off, on-going, transaction, ancillary and incidental costs.

They include potential early exit penalties. The figures assume you invest 100,000 EUR nominal. The figures are estimates and may change in the future.

The costs charge for the investment is dependent on the risks associated with the transaction and the term of the investment.

We may include additional costs and charges on a case by case basis. If so, Nordea will provide you with information about these costs and charges prior to the point of sale, and will explain the impact that these costs will have on your investment over time.

Investment (based on above nominal)	Cumulative Costs
Combined cost to buy and exit the product	0
% p.a. of nominal	0

## Composition of costs on purchase of the product

Detailed Costs	Description	Amount in EUR	%
One-off costs	All costs and charges relating to the handling of the financial instrument paid to product suppliers as an entry cost or exit cost.	-	-
Ongoing costs	All on-going costs and charges that are related to the management of the financial instrument and deducted from the value of the financial instrument during the holding period of the investment in the financial instrument.	-	-
Transaction costs	All execution costs and charges associated with the buying or selling of the financial instrument performed by Nordea or another party.	The costs and charges will be presented in full at the point of sale	
Ancillary services	Any other costs and charges tied to servicing the financial instrument during the holding period of the financial instrument – such as research commissions.	-	-
Incidental costs	Any costs and charges tied to events during the holding period of the financial instrument – such as performance fees.	-	-

## How can I complain?

Any complaint regarding the product or the conduct of the persons within Nordea advising on, or selling the product can be submitted under the following website <https://www.nordea.fi/en/personal/get-help/tell-us-what-you-think-about-our-services.html>, in written form to Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Helsinki.