

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

Product name	Credit Bond (Fixed Rate)
Issuer of this document	Nordea Bank Abp (hereafter "Nordea")
Regulated by	Finnish Financial Supervisory Authority
Produced	19.05.2020

What is this product?

Description

A fixed-rate credit bond is a tradable debt instrument with a fixed coupon interest payment paid at a pre-defined frequency, issued by the borrowing entity (e.g. a corporate or municipality) to obtain long-term funding directly from investors. The coupon is dependent partly on the market interest rate level, and partly on the perceived creditworthiness of the issuer, at the time of issuance. The principal may fall due at maturity, or be repaid in instalments over the maturity of the bond as predefined in the terms of the bond. The issuer of the floating-rate note may in some cases have the option to repay (call) the principal of the bond before the maturity of the bond, usually at or above the par amount of the bond.

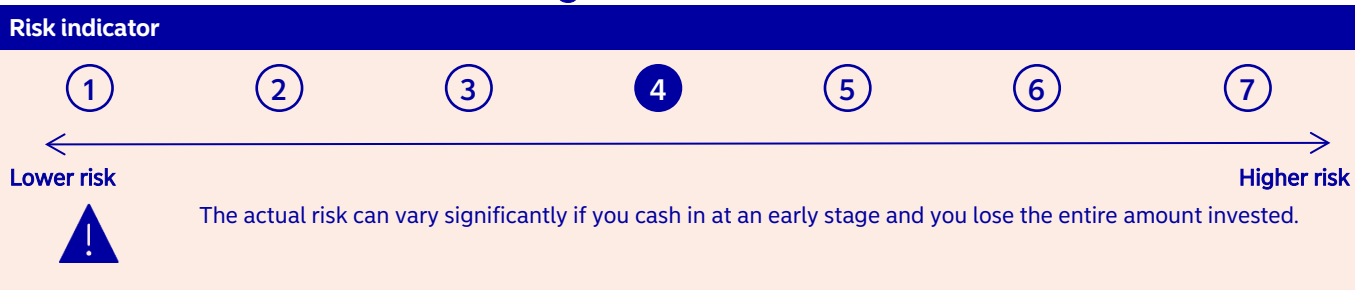
In the special case that the bond has a zero coupon, the interest calculation is slightly different. In this case, the bond has no stated coupon rate and pays only the principal portion at a predefined date in the future. These bonds are issued below the par value of the bond, and the difference (also known as the discount) between the par value of the bond and the amount paid by the investor is the return to the bondholder over the holding period.

The price is subject to change until the transaction is agreed upon.

Intended investor

The product Credit Bond (Fixed Rate) is aimed at retail clients, professional clients and eligible counterparties, who are interested in capital growth and income. The Credit Bond (Fixed Rate) is a product for informed investors and advanced investors.* The intended retail investor has a medium risk tolerance.

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



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 4 out of 7, which is a medium 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.

The market value of a fixed rate credit bond is exposed to changes in the market rate of interest. The market value of the bond decreases if the market rate of interest increases and vice versa.

Changes in the credit spread will impact the market value of a fixed rate credit bond. The credit spread is normally given as the difference between the discount rate for a risky credit bond and a non-risky (e.g. government) bond. This credit spread may change either due to changing market perceptions of the issuer, or a general change of the spread level in the market to which the bond belongs (e.g. corporates, municipalities etc.).

A change in the perceived creditworthiness of the issuer will affect the value of the bond. A fall in perceived creditworthiness will lead to a lower price on the bond.

The investor assumes the full credit risk of the issuer, and in case of issuer default the investor may lose all or a part of his investment and/or the repayment may be delayed.

The market value of the fixed rate bond is exposed to the market parameters listed in the matrix below.

* 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.

Credit Bond (Fixed Rate)		
Market Parameters	Influence on market value when increasing	Influence on market value when decreasing
Market rate of interest	-	+
Credit spread (issuer risk)	-	+

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	3000
% p.a. of nominal	3.0

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.	0	0
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.	0	0
Transaction costs	All execution costs and charges associated with the buying or selling of the financial instrument performed by Nordea or another party.	1500	1.5
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.	0	0
Incidental costs	Any costs and charges tied to events during the holding period of the financial instrument – such as performance fees.	0	0

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.