

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	Equity Down and Out Asian Quanto Basket Call Option (Sell)
Issuer of this document	Nordea Bank Abp (hereafter "Nordea")
Regulated by	Finnish Financial Supervisory Authority
Produced	19.05.2020

What is this product?

Description

An equity down and out Call (DOC) is an agreement between two parties giving the buyer (the holder) has the right to receive a payout which is the greater of zero and the difference between the agreed strike price and the basket return on a specified future date (expiry date) if the basket return at any agreed observation date hasn't been below predefined barrier level. Barrier level will always be below strike level for the option.

The payout is cash settled at a specified maturity date after the expiry date.

The underlying instruments in the basket can be shares in specific companies or equity indices. The weight of each underlying instrument is specified as a percentage of the basket notional.

The payout will be in the same currency as the basket notional, which can be different from the denomination currencies of the underlying shares or equity indices. The basket return is calculated as the performance of the arithmetic means of the reference prices of the underlying instruments on specified observation dates.

The agreement is binding for the seller of the option. It may be possible to terminate the transaction before maturity. As the market value of the transaction may have changed since it was initiated, an early termination will usually involve the initial seller paying the present market value to the buyer.

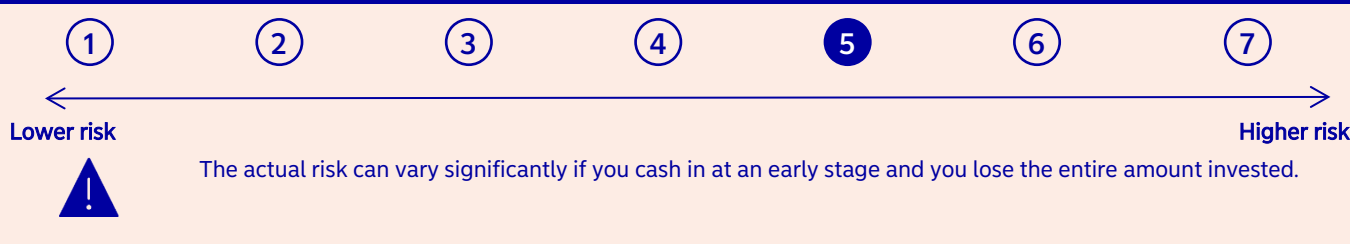
A DOC is a non-standardised product where trade details like time to maturity and the chosen strike price of the option will be individually agreed. Non-standardised options are traded and settled through the broker issuing the option. The options will adhere to the rules set out by ISDA.

Intended investor

The product Equity Down and Out Asian Quanto Basket Call Option (Sell) is aimed at professional clients and eligible counterparties, who are interested in capital growth, hedging, leveraged participation and income. The Equity Down and Out Asian Quanto Basket Call Option (Sell) is a product for advanced investors.* The intended retail investor has a medium 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 5 out of 7, which is a medium-high 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.

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

When buying an option the loss is limited to the paid premium, whereas the potential for a profit is unlimited. When selling an option the potential profit is limited to the premium received, while the risk of a loss is unlimited.

The market value of a DOC is exposed to the forward price of the underlying instruments, the time to expiry, the implied volatility and the correlation between the underlying instruments.

A bought DOP is exposed to the market parameters listed in the matrices below.

* 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.

Equity Down and Out Asian Quanto Basket Call Option (Sell)		
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.