

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 Quanto Worst of Call Option
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 worst of autocallable is an agreement between two parties (party A and party B) consisting of a series of specified barrier dates (typically quarterly, semi-annually or annually), payment dates and a final maturity date.

A call barrier is specified for each barrier date, and furthermore for the final barrier date a loss barrier and a strike price are specified.

If the worst performing underlying instrument in a defined basket of underlying instruments is at or above the call barrier on a barrier date ("call event"), the agreement is terminated and party A will receive the payout specified for that barrier date from party B on the immediately succeeding payment date. If instead the worst performing underlying instrument in the defined basket of underlying instruments is below the call barrier, there will be no payout and the agreement continues until the next barrier date.

On the final barrier date, if no call barriers have been breached before then, the agreement will be settled on the final maturity date as follows:

- If the price of the worst performing instrument in the basket of instruments is at or above a specified loss barrier, there will be no payout.
- If the price of the worst performing instrument in the basket of instruments is below the specified loss barrier ("loss barrier event"), party A will pay an amount which depends on how much lower the worst performing underlying instrument is compared to the strike price of the underlying instrument. The strike price of the underlying instrument has been agreed at the time when the parties entered into the agreement and is typically (but not necessarily) above the loss barrier, meaning that the loss is typically (but not necessarily) greater than the amount that the worst performing instrument is below the loss barrier. However, the payout cannot exceed the notional amount of the agreement.

The underlying instruments in the basket can be either shares in specified companies or equity indices. The prices of the instruments are observed from the relevant exchanges on barrier dates.

The agreement typically (but not necessarily) involves an initial upfront premium which is typically (but not necessarily) paid by party A to party B.

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

The agreed transaction is mutually binding until the final maturity date and cannot be cancelled. However, it will be possible to terminate the transaction before the final maturity. As the market value of the transaction may have changed since it was initiated, an early termination will usually involve a payment of the present market value from one party to the other.

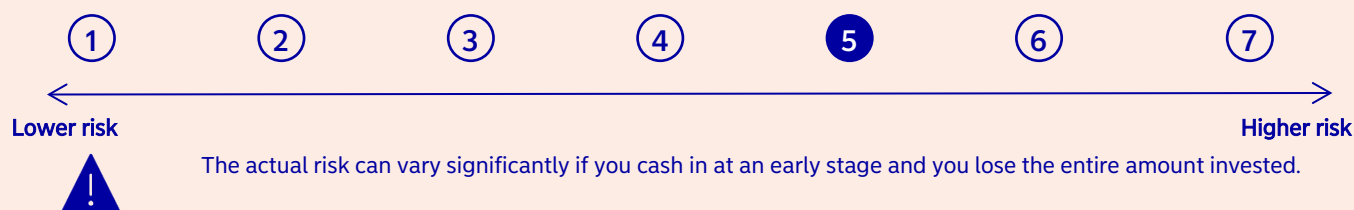
Intended investor

The product Equity Quanto Worst of Call Option is aimed at professional clients and eligible counterparties, who are interested in capital growth, hedging, leveraged participation and income. The Equity Quanto Worst of Call Option is a product for informed investors and advanced investors.* The intended retail investor has a medium risk tolerance.

* 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.

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.

The market value of an equity worst of autocallable is exposed to changes in the prices of the underlying instruments, the volatilities of the underlying instruments, the correlation between the underlying instruments, the time to maturity, the level of market interest rates and the projected dividends of the underlying instruments.

For party A the maximum loss will be limited to the notional amount, while the maximum profit will be the maximum payout, and vice versa for party B.

As the market value of an equity worst of autocallable depends on the size and direction of the payouts, the prevailing market conditions and the remaining time to maturity, it is not possible to unambiguously state the effect of general market changes on the market value of the agreement.

Market Parameters	Equity Quanto Worst of Call Option	
	Influence on market value when increasing	Influence on market value when decreasing
Share price	+	-
Share price volatility	+	-
Time to maturity	+	-
Correlation	+	-

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.