

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 Worst of Down and In Put (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 worst of down and in put (WODIP) is an agreement between two parties giving the buyer the right, but not the obligation, to sell the worst performing underlying instrument in a defined basket of underlying instruments at a specified price (strike price) at a specified future date (expiry date) if any of the underlying's at any agreed observation dates has been observed below a defined level which is below strike price. The notional of the WODIP is specified in an agreed currency (notional currency) regardless of the currency denomination of the underlying instruments.

The underlying instruments in the basket can be either shares in specified companies or equity indices.

The performance of each underlying instrument is measured at expiry using an agreed reference price in relation to the specified strike price.

Assuming rational behaviour a worst of put option will be exercised if at least one underlying instruments have performed worse than their strike prices. The worst of put option will thus expire worthless even only if all underlying instrument has performed better than the chosen strike price.

If exercised, the WODIP is cash settled in the notional currency at expiry as the difference between the strike price and the agreed reference price.

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

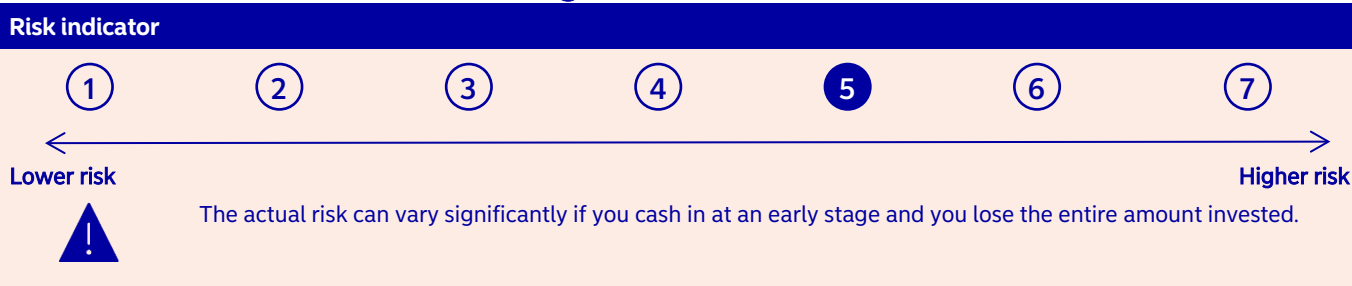
The agreement is binding for the seller of the option. It may be possible to terminate the transaction before maturity. As the market value of the transaction may have changed since it was initiated, an early termination will usually involve the initial seller paying the present market value to the buyer.

A WODIP 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 Worst of Down and In Put (Sell) is aimed at professional clients and eligible counterparties, who are interested in capital growth, hedging, leveraged participation and income. The Equity Worst of Down and In Put (Sell) 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 5 out of 7, which is a medium-high risk class.

The risk and profit loss descriptions relate to this product only.

* 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.

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 WODIP 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 WODIP is exposed to the market parameters listed in the matrices below.

Market Parameters	Equity Worst of Down and In Put (Sell)	
	Influence on market value when increasing	Influence on market value when decreasing

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.