Key Information Document

Purpose

This document provides you with **key information about this investment product**. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Product name	FX Floorward
PRIIP manufacturer	Nordea Bank Abp
Regulated by	Finnish Financial Supervisory Authority
Produced	15.07.2020
	Call +358 9 369 49090 for more information or visit www.nordea.fi/kid

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type

This product is an OTC derivative contract in the form of a forward relating to currencies.

Objectives

- The objective of this product is to sell an agreed amount of one currency (Base Currency) for another currency (Price Currency) at an agreed exchange rate (strike price) on a future date (settlement date). In contrast to a standard FX Forward, your obligation for the currency exchange is limited. The product may be used as a protection against adverse changes in exchange rates.
- The product achieves its objective by you and Nordea agreeing to the terms of the FX Floorward, under which (1) Nordea gives you the right to sell the nominal amount at the strike price in the Base Currency against buying the nominal amount in the Price Currency and (2) you undertake an obligation to exchange the same amounts in Base and Price Currency, also at the strike price. (3) Nordea gives you the additional right to buy back the reverse amount in the Base Currency against selling the reverse amount in the Price Currency at a higher strike price (hedge strike). The respective nominal exchange(s) take place on the settlement date.
- The FX Floorward consists of a bought and a sold FX Option (European) with the same amounts and with the same strike price, and an additional bought FX Option (European) with a higher strike price.
- Usually you will not be required to pay an option premium for this product (zero-premium). If a premium is paid, it will not be returned. The actual payments of the nominal amounts will take place at a specified date (settlement date) after the exercise date.
- If pre-agreed it is possible to cash-settle the value of the FX Floorward against a specified reference rate (fixing rate). The date and the source of the fixing rate are pre-agreed.
- The FX Floorward is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or Nordea. However, in certain circumstances it may be possible for either you or Nordea to terminate the agreement before expiry. Please see further information under "How long should I hold it and can I take money out early?"

The following are indicative terms based on current market conditions:

Trade date	15.07.2020
Exercise Date	15.10.2020
Settlement Date	19.10.2020
Base Currency	EUR
Price Currency	USD
Nominal Amount (Base Currency)	EUR 10 000,00
Nominal Amount (Price Currency)	USD 10 943,00
Reverse amount (Base Currency)	EUR 10 000,00
Reverse amount (Price Currency)	USD 10 943,00
Strike Price	1,0943 EUR/USD
Hedge Strike Price	1,1103 EUR/USD
Currency pair	EURUSD

This product has a latest due date on 15.10.2020, provided that no early redemption has occurred.

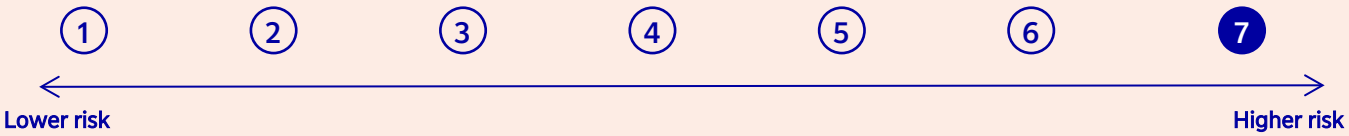
Intended retail investor

The product FX Floorward is aimed at retail clients, who are interested in capital growth, hedging, income and other investment objectives and who have a very short-term investment horizon of less than 1 year. The FX Floorward is a product for basic investors, informed investors or advanced investors.* The investor is able and willing to bear losses beyond the investment amount and puts no emphasis on capital protection.

* Basic investors have basic knowledge of relevant financial instruments and/or with no financial industry experience. 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 risk indicator assumes you keep the product for 3 months.
You may not be able to end your product early. You may have to pay significant extra costs to end your product early.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 7 out of 7, which is the highest risk class. We classify all OTC derivatives as being of the highest risk class, this rates the potential losses from future performance at a very high level.
When this product is combined with other products or commercial positions, the total portfolio will have a different net risk profile.
This product does not include any protection from future market performance so you could incur significant losses.
If we are not able to pay you what is owed, you could incur significant losses.

Performance scenarios

Nominal amount 10 000 EUR Scenarios		3 months (Recommended holding period)
Stress scenario	What you might get back or pay after costs	9 856,12 EUR
	Average return /loss over nominal amount	-1,44 %
Unfavourable scenario	What you might get back or pay after costs	9 857,46 EUR
	Average return /loss over nominal amount	-1,43 %
Moderate scenario	What you might get back or pay after costs	9 863,08 EUR
	Average return /loss over nominal amount	-1,37 %
Favourable scenario	What you might get back or pay after costs	10 084,54 EUR
	Average return /loss over nominal amount	0,85 %

This table shows the money you could get back or pay over the next 3 months, under different scenarios, assuming that you invest 10 000 EUR. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where Nordea Bank Abp is not able to pay you. This product cannot be easily ended. This means it is difficult to estimate how much you would get back if you end before maturity. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so. The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Nordea Bank Abp is unable to pay out?

When buying this product you assume a credit risk on Nordea Bank Abp. In the event that Nordea Bank Abp is unable to fulfil its payment obligations under this product, you may not receive any amount from Nordea Bank Abp. Note that the product is not covered by any investor compensation or deposit guarantee scheme.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. The total costs take into account one-off, ongoing and incidental costs.
The amounts shown here are the cumulative costs of the product itself, for the recommended holding period. They include potential early exit penalties. The figures assume you invest 10 000 EUR. The figures are estimates and may change in the future.

Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Nominal amount 10 000 EUR	If you end at the recommended holding period
Total costs	100 EUR
Impact on return (RIY)	1,01 %

Composition of costs

The table below shows:

- The impact of the different types of costs on the performance of the product at the end of the recommended holding period.
- What the different cost categories mean.

This table shows the impact on return

One-off costs	Entry costs	1,01 %	The impact of the costs you pay when entering your investment.

	Exit costs	n.a.	The impact of the costs of exiting your investment when it matures.
Ongoing costs	**Portfolio transaction costs**	**0 %**	**The impact of the costs of us buying and selling underlying investments for the product.**
	Other ongoing costs	0 %	The impact of the costs that we take for managing your investments and the costs presented in Section II.

How long should I hold it and can I take money out early?

Recommended holding period: 3 months

This product is designed for staying invested until the maturity date.
The realised/actual holding period can vary due to the callable structure of this product.
The FX Floorward is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or Nordea. It is a product that is entered into for its term, although early termination may occur in the event of a default of either you or Nordea. The agreement between you and Nordea provides that if certain exceptional events occur (1) Nordea may make adjustments to certain terms and/or (2) Nordea or you may terminate the product early. These events are specified in more detail in the agreement between you and Nordea. The product may also be terminated upon mutual agreement. The amount of an early termination payment (if any) you receive or pay on such early termination is likely to be different from the scenarios described in this document.
The early termination payment will be determined by the market value of the product at the time of termination. The early termination payment is not a penalty charge. The amount represents the economic value of what Nordea would expect to have paid or received if the product continued as agreed. Depending on market conditions at the time of the early termination, the early termination payment could result in a substantial loss for you.
You may not be able to terminate this product even though you or Nordea have terminated or discontinued a product or a commercial flow that this product is aimed to hedge.

How can I complain?

Any complaint regarding the product or the conduct of the manufacturer or persons within Nordea advising on, or selling the product can be submitted under the following website https://www.nordea.fi/tietoa-nordeasta/tietoa-nordeasta/palveluasiamies.html, in written form to Nordea Bank Abp, Palveluasiamies, 2219 Household, 00020 NORDEA or via email to palveluasiamies@nordea.com. If you have questions about the person advising on or selling the product, contact Nordea Bank Abp.

Other relevant information

The derivative master agreement governing the product is provided to you as separately agreed. Arrangements for mitigating credit risk may also be agreed between you and Nordea when required. The information contained in this Key Information Document does not constitute a recommendation to buy or sell the product and is no substitute for individual consultation with your bank or advisor. The legally binding terms for this product will be presented as part of the trade confirmation prepared by Nordea, and will be made available to you after the trade has been concluded.