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	FX Digital Strangle
Issuer of this document	Nordea Bank Abp (hereafter "Nordea")
Regulated by	Finnish Financial Supervisory Authority
Produced	02.11.21

What is this product?

Description

An FX digital strangle (FXDS) is an agreement between two parties giving the buyer the right to receive an agreed amount of cash (the payout) at an agreed future settlement date if and only if the FX spot rate of the underlying currency pair is trading at or beyond one of two agreed strikes at the exact time of expiration of the option. There will be an upper strike and a lower strike and the potential payout may vary depending on which of the two strikes is exceeded.
There will be a premium payable at the outset of the transaction by the buyer of the FXDS to the seller. Both the premium and the payout are denominated in one of the currencies in the underlying currency pair.
The price is subject to change until the transaction is agreed upon.
The agreement is binding for the seller of the FXDS. However, it will be possible to terminate the transaction before maturity. If the transaction has a market value, an early termination may involve the initial seller paying the present market value to the buyer.

Intended investor

The product FX Digital Strangle is aimed at professional clients and eligible counterparties, who are interested in hedgingincome. The FX Digital Strangle is a product for informed investors and advanced investors.*

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

The product and 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 FXDS is exposed to changes in the FX spot rate, the FX volatility, the time to expiry and the market rate of interest of both currencies. The impact of changes in any of the above-mentioned market parameters will depend on the chosen strikes and payouts in relation to the prevailing market prices. It is thus not possible to unambiguously state the effect of general changes in any of the market parameters on the market value of an FXDS.
An investment in an FXDS is subject to risk on the market parameters listed in the matrix below.

	FX Digital Strangle	
Market Parameters	**Influence on market value when increasing**	**Influence on market value when decreasing**

What happens if Nordea Bank Abp 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	4000
% p.a. of nominal	4.0

Composition of costs on purchase of the product

* 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.

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.	2000	2.0
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 to contact Nordea

If you need to get in contact with Nordea, you can either visit this website https://www.nordea.fi/en/personal/get-help/tell-us-what-you-think-about-our-services.html or write to us at Nordea Bank Abp, Satamaradankatu 5, FI-00020 NORDEA, Helsinki.