

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 Autocallable
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 FX autocallable is an agreement between two parties (party A and party B) consisting of a series of specified call dates and a final maturity date. The call dates are typically annually or semi-annually.

A barrier is specified for each call date. If any barrier is breached on a call date, party A will receive the payout specified for that call date from party B and the agreement is terminated.

The FX rate that determines whether the barrier has been breached is either observed or computed using the prevailing FX spot rates from an official fixing source (eg the ECB) on the call date.

If no barriers have been breached, the agreement will be settled at the final maturity date as follows:

- If the final barrier is breached, party A will receive the specified payout.
- If the FX rate from the agreed source is between the barrier and a specified strike, there will be no payout.
- If the FX rate from the agreed source is beyond the strike, party A will pay an amount depending on a specified relation between the strike and the FX rate from the agreed source. The payout cannot exceed the notional amount of the trade.

The barrier and the strike are located in opposite directions.

An FX autocallable will typically involve an initial upfront premium and typically, but not necessarily, paid from party A to party B.

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

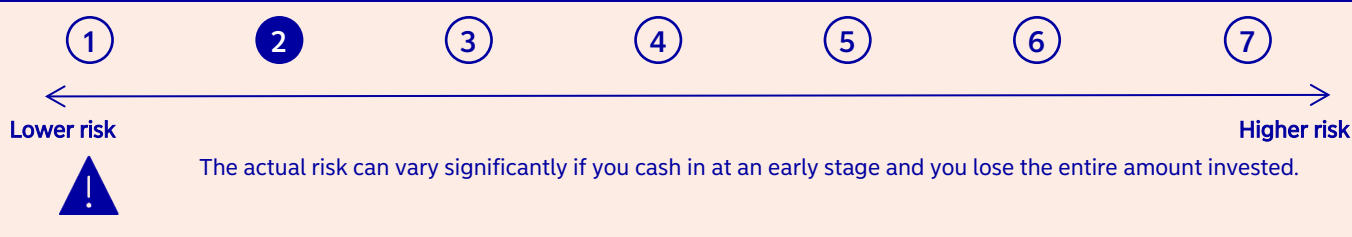
The agreed transaction is mutually binding until maturity and cannot be cancelled. However, it will be possible to terminate the transaction before maturity. As the market value of the transaction may have changed since it was initiated, an early termination will usually involve a payment of the present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

Intended investor

The product FX Autocallable is aimed at professional clients and eligible counterparties, who are interested in capital growth, hedging, leveraged participation and income. The FX Autocallable is a product for informed investors and advanced investors.* The intended retail investor has a low 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 2 out of 7, which is a low 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 FX autocallable is exposed to changes in the FX spot rate, the FX rate volatility and the market rate of interest in both currencies.

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.

* 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.

As the market value of an FX 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 an FX autocallable.

The market value of an FX autocallable is exposed to the market parameters listed in the matrix below.

Market Parameters	FX Autocallable	
	Influence on market value when increasing	Influence on market value when decreasing
FX spot rate	+/-	+/-
Interest rate ccy1	+/-	+/-
Interest rate ccy2	+/-	+/-
FX rate volatility	+/-	+/-

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.	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.	to be disclosed on transaction level	to be disclosed on transaction level
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 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.