

# 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

<b>Product name</b>	Government Bond
<b>Issuer of this document</b>	Nordea Bank Abp (hereafter "Nordea")
<b>Regulated by</b>	Finnish Financial Supervisory Authority
<b>Produced</b>	26.10.22

## What is this product?

### Description

A bond is a tradable debt instrument with a regular interest payment, the coupon. Bonds are used by governments, corporations and other issuers to obtain funding, usually with over one year to maturity, directly from investors. A bond is issued in small identical lots in order to provide potential for a secondary market.

The principal may fall due at maturity or it may be repaid in instalments over the maturity of the bond as predefined in the terms of the bond.

The coupon is the bond's rate of interest, expressed as a percentage of the face value, and it is paid at a predefined frequency.

The coupon is a fixed or a floating rate. The reference rate for the floating-rate payment can for example be an official interbank fixing, like EURIBOR.

In case the bond has a zero coupon the interest calculation is slightly different. In this case, the bond has no stated interest rate and pays only the principal portion at a predefined day in the future. These bonds are issued at a discount to par and the difference between the discount and par is the return to the bondholder.

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

### Intended investor

The product Government Bond is aimed at professional clients and eligible counterparties, who are interested in capital growth and hedging and income. The Government Bond is a product for informed investors and advanced investors.\*

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

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 net value of a bond is exposed to changes in the market rate of interest. The market value of the bond decreases if the market rate of interest increases and vice versa. The investor assumes the full credit risk of the issuer, and in the case of issuer default the investor may lose all or a part of his investment and/or the repayment may be delayed.

The value of the bond is also subject to changes in the market perception of the credit risk of the borrower. A fall in perceived creditworthiness will lead to a lower price on the bond. The market value of the bond is exposed to the market parameters listed in the matrix below.

Market Parameters	Government Bond	
	Influence on market value when increasing	Influence on market value when decreasing
Market rate of interest	-	+
Risk on issuer	-	+

### 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.

\* 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.

Investment (based on above nominal)	Cumulative Costs
Combined cost to buy and exit the product	3000
% p.a. of nominal	3.0

### 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.	1500	1.5
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.