

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	Zero Coupon CPI Swap
Legal name	Nordea Bank Abp
Regulated by	Finnish Financial Supervisory Authority
Produced	01.11.18
	Call +358 200 3000 for more information or visit www.nordea.com

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

What is this product?

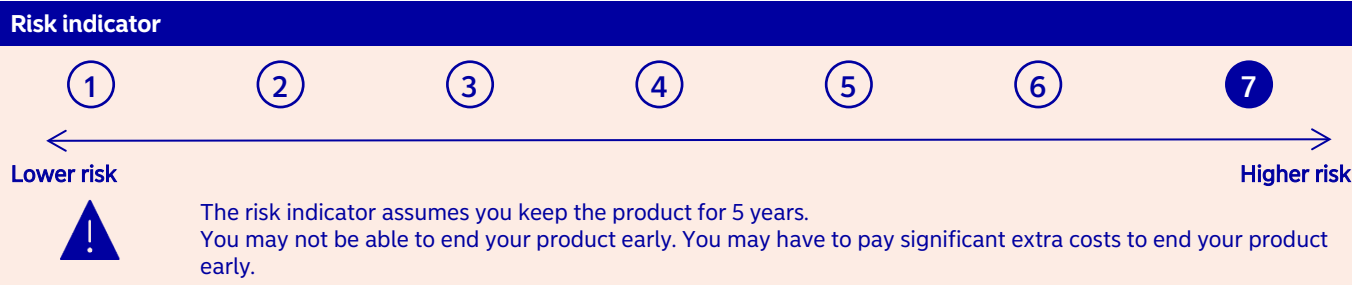
Type	This product is a derivative contract in the form of a swap relating to inflation rates.
Objectives	<ul style="list-style-type: none"> The objective of this product is to exchange a fixed interest amounts for an interest amount based on changes in an inflation index value for an agreed period of time and it may be used as a protection against rising inflation rates. The product achieves its objective by you and Nordea agreeing to the terms of the zero coupon consumer price index (CPI) swap, under which you agree to pay Nordea a fixed interest amount at pre-agreed payment dates and Nordea agrees to pay you an interest amount based on an inflation rate at maturity when the inflation level is known. The inflation rate is based on an official consumer price index for Finland (FICP2). The yearly (or monthly) growth rates represent the inflation rate and the base year is 2015. Payments under a zero coupon CPI swap consist solely of interest payments. The notional amount is used solely for calculating the interest payments, hence no exchange of notional amounts will be made under the zero coupon CPI swap. The fixed interest amount is based on a fixed interest rate that remains the same during the term of the product and is calculated on compound interest basis. The interest amount is paid by you on pre-agreed payment dates (either periodically or at maturity) and is calculated on the basis of the fixed interest rate multiplied with the notional amount and the day count fraction and using compound interest basis. The inflation rate is based on an official consumer price index (CPI). The interest amount is paid by Nordea at maturity and is calculated on the basis of the percentage change in the consumer price index between the maturity date and the initial fixing date (base index) multiplied with the notional amount and the day count fraction. The Zero Coupon CPI Swap 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 products 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 (if any) you receive or pay on such early termination is likely to be different from the scenarios described in this document. Nordea and you may agree on an optional early termination for Nordea as part of the product terms. The optional early termination allows Nordea to terminate the product at specific dates prior to maturity for settlement at market value. 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. Illustrative terms are set out below, which are illustrative of the terms of a Zero Coupon CPI Swap, but which do not reflect the exact terms you agree with Nordea. The exact terms will be set out in an individual trade confirmation.

Trade date	03.01.18
Start	05.01.18
Maturity	05.01.23
Nominal amount	10 000 EUR
Amortisation	Bullet
Fixed interest rate	1,44 %
Fixed rate payment dates	At maturity, starting 05.01.23 until 05.01.23
Inflation rate payment date	At maturity (05.01.23)
Initial fixing date	03.01.18
Final fixing date	03.01.18

Intended retail investor

Day count - fixed rate	30/360
Day count - inflation rate	ACT 360

The product Zero Coupon CPI Swap is aimed at retail clients, who are interested in hedging and who have a medium-term investment horizon of between 3 and 5 years. The Zero Coupon CPI Swap is a product for 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. On a scale of risk ranging from 1 (very low risk tolerance; very low to low return) to 7 (very high risk tolerance; highest return) the product Zero Coupon CPI Swap falls in risk category 7.

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. 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. This rates the potential losses from future performance at a very high level, and poor market conditions are very unlikely to impact the capacity of Nordea Bank Abp to pay you.

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

		1 year	3 years	5 years (Recommended holding period)
Stress scenario	What you might get back or pay after costs	9 918,06 EUR	10 022,96 EUR	9 910,73 EUR
	Average return each year	-0,82 %	0,08 %	-0,21 %
Unfavourable scenario	What you might get back or pay after costs	10 013,69 EUR	9 909,76 EUR	9 971,57 EUR
	Average return each year	0,14 %	-0,3 %	-0,07 %
Moderate scenario	What you might get back or pay after costs	9 970,96 EUR	10 002,23 EUR	10 000,97 EUR
	Average return each year	-0,29 %	0,01 %	0 %
Favourable scenario	What you might get back or pay after costs	10 003,43 EUR	10 047,78 EUR	10 028,73 EUR
	Average return each year	0,03 %	0,16 %	0,07 %

This table shows the money you could get back or pay over the next 5 years, 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 to 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.

* The calculation is based on the notional of the contract (in this example 10 000 EUR).

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

When buying the product you assume a credit risk on the issuer. In the event of the issuers bankruptcy, the holder of the product will have an unsecured claim versus the bank. Note that the product is not covered by any 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.

* 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.

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	250 EUR
Impact on return (RIY) per year	0,5 %

Composition of costs

The table below shows:

- The impact each year 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 per year

One-off costs	Entry costs	0,5 %	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 each year 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: 5 years

This product is designed for staying invested until the maturity date.

This product cannot be easily ended. This means it is difficult to estimate how much you would get 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.

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.

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. Nordea uses an independent external vendor to calculate the performance scenarios according to the methodology prescribed in the PRIIPs regulation and the supplementing regulatory technical standard. The methodology may cause the performance scenarios to be substantially more favourable (or less favourable) than the performance implied by Nordea's estimates, market consensus and implied market prices. Hence, Nordea's view is that an investment decision should not be based on the performance scenarios.