

# 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>	Target Redemption Forward Countdown
<b>Issuer of this document</b>	Nordea Bank Abp (hereafter "Nordea")
<b>Regulated by</b>	Finnish Financial Supervisory Authority
<b>Produced</b>	02.10.18

## What is this product?

### Description

A countdown forward is a potential series of two or more forward FX transactions between a buyer and a seller. These forwards allow the buyer to trade at a rate better than the prevailing market rate for those forwards.

At each forward date the agreed forward rate is compared to the market rate at the time. The market rate is referenced to an independent source such as the ECB. If the forward rate is more favourable for the buyer than the prevailing market rate, then that forward is deemed to have been in the money. The consequence of a forward being in the money is that the last remaining forward is cancelled. Therefore for each forward that is in the money, the overall maturity of the countdown forward is reduced. If there are no in-the-money fixings, then the original maturity date will be unchanged.

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

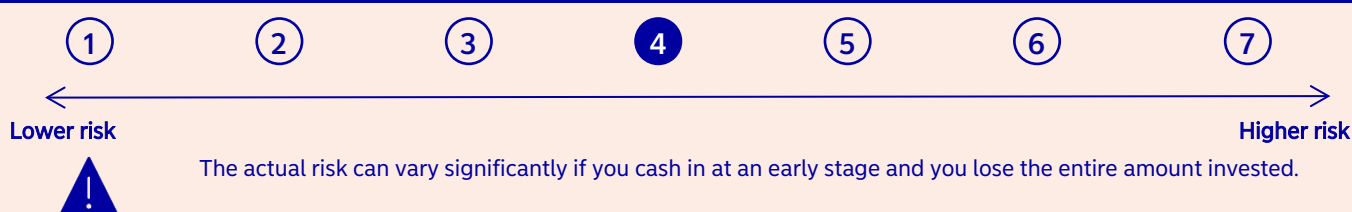
The agreed transaction is mutually binding until maturity and cannot be cancelled. However, it will be possible to terminate the transaction before maturity. As the market value of the transaction may have changed since it was initiated, early termination will usually involve a payment of the present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

### Intended investor

The product Target Redemption Forward Countdown is aimed at professional clients and eligible counterparties, who are interested in preservation of their capital, capital growth, hedging, leveraged participation, income and other investment objectives. The Target Redemption Forward Countdown is a product for informed investors and advanced investors.\* The intended retail investor has a medium 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 4 out of 7, which is a medium 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 countdown forward is exposed to changes in the FX spot rate, the FX volatility, the time to maturity and the market rate of interest in both currencies.

In the following the FX spot rate is expressed as units of ccy2 per one unit of ccy1, where ccy1 is the denominated currency.

The number of underlying forwards transacted cannot be guaranteed as it is dependent on how many of the forwards are in the money.

An FX countdown forward is subject to risk on the market parameters listed in the matrix below.

\* 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.

Market Parameters	Target Redemption Forward Countdown	
	Influence on market value when increasing	Influence on market value when decreasing
Time to expiry	-	+
FX spot rate	+	-
Interest rate ccy1	-	+
Interest rate ccy2	+	-
FX 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	6000
% p.a. of nominal	6.0

## 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.	3000	3.0
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 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, Palveluasiamies, Snellmaninkatu 6, PL 103, 00101 Helsinki.

## Other relevant information

Additional documentation may be available and could in such case be requested from Nordea and is also available on the website [www.nordea.com](http://www.nordea.com).