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	Tranched Credit Linked Note
Issuer of this document	Nordea Bank Abp (hereafter "Nordea")
Regulated by	Finnish Financial Supervisory Authority
Produced	06.09.24

What is this product?

Description

This product is a financial instrument in the form of a bond. The return is linked to the credit losses in an underlying basket. The note may pay a fixed coupon, a floating coupon or a target redemption amount calculated on the notional amount. If the losses in the underlying basket do not go above the attachment point, the notional amount is paid to the investor at maturity. The credit losses in the investment are dependent on the number of credit events in the underlying basket during the observation period. If specified in the terms, the credit losses of the investment may also depend on the market recovery rate associated with each credit event. Bankruptcy, failure to pay, restructuring and governmental intervention are examples that could constitute a credit event. If a credit event occurs in the underlying basket during the observation period, each credit event may decrease the nominal amount. The product have an attachment point and a detachment point which is specified in the terms. Attachment and detachment points are expressed as a percentage points of the notional. If losses in the underlying basket go above the attachment point the return of the investment is reduced, and if losses is above the detachment point the investor have lost the entire invested amount. The specific amount for any one credit event may thus vary and depend on how many credit events that has previously occurred.

Intended investor

The product Tranched Credit Linked Note is aimed at professional clients and eligible counterparties, who are interested in capital growth, hedging, leveraged participation and income. The Tranched Credit Linked Note 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 market value of a Tranched Credit Linked Note (the "Note") is exposed to changes in the market rate of interest. The market value of the Note decreases if the market rate of interest increases and vice versa. Changes in the credit spread will impact the market value of a Note. The credit spread is normally given as the difference between the discount rate for a risky credit bond and a non-risky (e.g. government) bond. This credit spread may change either due to changing market perceptions of the issuer, or a general change of the spread level in the market to which the bond belongs (e.g. corporates, municipalities etc.).
A change in the perceived creditworthiness of the issuer will affect the value of the bond. A fall in perceived creditworthiness will lead to a lower price on the bond. The investor assumes the full credit risk of the issuer, and in case of issuer default the investor may lose all or a part of his investment and/or the repayment may be delayed.
The market value of the Note is exposed to the market parameters listed in the matrix below.

	Tranched Credit Linked Note	
Market Parameters	**Influence on market value when increasing**	**Influence on market value when decreasing**
Credit Spreads	-	+
Market Rate of Interest	-	+

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.

* 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.

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 - 2.0 per annum

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	0.2 - 1.5 p.a.
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.	200 - 1500bp per annum	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.