

# 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

<b>Name of Product</b>	Interest Rate Collar
<b>Name of PRIIP manufacturer</b>	Nordea Bank Abp
Name of Competent Authority	Finanssivalvonta is responsible for supervising Nordea Bank Abp in relation to this Key Information Document
Date of production of the KID	09.06.26
Call +358 9 369 50700 for more information or visit <a href="http://www.nordea.fi/kid">www.nordea.fi/kid</a>	

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

## What is this product?

<b>Type</b>	This product is an OTC derivative contract in the form of an Interest Rate Collar.
<b>Term</b>	The Interest Rate Collar is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or Nordea. However, in certain circumstances it may be possible for either you or Nordea to terminate the agreement before expiry. Please see further information under "How long should I hold it and can I take money out early?"

<b>Objectives</b>	<ul style="list-style-type: none"> <li>The objective of this product is to provide a hedge against interest rates rising above the cap strike rate, while also providing the possibility to benefit from favourable movements down to the floor strike rate.</li> <li>The product achieves its objective by you and Nordea agreeing to the terms of the Interest Rate Collar under which you agree to pay Nordea a premium. The Interest Rate Collar constitutes a combination of a bought cap and a sold floor, the result of which is an interest rate interval for an agreed period of time.</li> <li>The premium is paid by you for the protection against the floating interest rate rising above the cap strike rate and is either paid as a running premium over the life of the trade or as a single amount after the trade date. The floor strike rate will reduce the premium payments. Typically, a lower cap strike rate requires a higher premium and the higher the floor strike rate, the more can the premium be reduced. The floor strike rate and the cap strike rate can be agreed between you and Nordea to the effect that the premium is zero.</li> <li>The notional amount is used solely for calculating the interest payments. No exchange of notional amounts will be made under the Interest Rate Collar.</li> <li>Payments under the Interest Rate Collar (other than the premium) are calculated as the difference between the fixing of the hedged reference rate and either the floor strike rate or the cap strike rate. If the reference rate is fixed above the agreed cap strike rate, you receive a compensation and if the reference rate is fixed below the agreed floor strike rate, you pay the compensation. Payments are calculated by multiplying the difference in rates with notional amount and the day count fraction in the interest period. If the fixing is below the cap strike rate and above the floor strike rate, no payments are made under the Interest Rate Collar.</li> <li>Illustrative terms are set out below. They are illustrative of the terms of a/an Interest Rate Collar, but do not reflect the terms you agree with Nordea. The terms agreed with Nordea will be set out in an individual trade confirmation.</li> </ul>
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### The following are indicative terms based on current market conditions:

<b>Trade date</b>	08.06.26
<b>Start date</b>	10.06.26
<b>Maturity date</b>	10.06.36
<b>Currency</b>	EUR
<b>Nominal amount</b>	10 000 EUR
<b>Amortisation</b>	Bullet
<b>Cap strike</b>	3,49 %
<b>Floor strike</b>	3,18 %
<b>Floating interest rate</b>	3-month Euribor
<b>Fixing periods</b>	Quarterly
<b>Payment dates</b>	Quarterly, starting 10.09.26 until 10.06.36
<b>Fixing dates</b>	Quarterly, starting 08.06.26 until 06.03.36
<b>Premium</b>	0,00 EUR (upfront)
<b>Day count</b>	ACT/360

<b>Intended retail investor</b>	The product Interest Rate Collar is aimed at retail clients, who are interested in hedging and who have an investment horizon which corresponds with the maturity date of the product, which should not extend beyond the expected maturity date of the exposure which it is intended to hedge. The Interest Rate Collar is a product for informed investors or advanced investors.* The investor is able and willing to bear losses beyond the
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investment amount and puts no emphasis on capital protection.

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

### Risk indicator

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Lower risk

Higher risk



The risk indicator assumes you keep the product for 10 years. You may not be able to terminate your product early. You may have to pay significant extra costs to terminate your product early.

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. We classify all OTC derivatives as being of the highest risk class, this rates the potential losses from future performance at a very high level.

In some circumstances you may be required to make further payments to pay for losses. **The total loss you may incur may significantly exceed the amount invested.**

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

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Example Recommended holding period:

10 years

Example Nominal amount:

10 000 EUR

If you terminate  
after 1 year

If you terminate  
after 5 years

If you terminate  
after 10 years

### Scenarios

#### Minimum

There is no minimum guaranteed return. You may incur unlimited losses.

#### Stress

What you might get back after costs	-3 947 EUR	-3 047 EUR	-3 287 EUR
Average return /loss over nominal amount each year	-39,47 %	-7,01 %	-3,9 %

#### Unfavourable

What you might get back after costs	6 041 EUR	3 430 EUR	3 075 EUR
Average return /loss over nominal amount each year	60,41 %	6,07 %	2,72 %

#### Moderate

What you might get back after costs	9 093 EUR	9 198 EUR	9 580 EUR
Average return /loss over nominal amount each year	90,93 %	13,93 %	6,94 %

#### Favourable

What you might get back after costs	12 993 EUR	18 989 EUR	21 677 EUR
Average return /loss over nominal amount each year	129,93 %	23,71 %	12,21 %

The favourable, moderate and unfavourable scenarios represent possible outcomes, which have been calculated based on simulations using the reference asset/s past performance over up to 5 past years. 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 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. This product cannot be easily cashed in. If you terminate the investment earlier than the recommended holding period you may have to pay extra costs.

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

When buying this product you assume a credit risk on Nordea Bank Abp. In the event that Nordea Bank Abp is unable to fulfil its payment obligations under this product, you may not receive any amount from Nordea Bank Abp. Note that the product is not covered by any investor compensation or deposit guarantee scheme.

## What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your 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.

## Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest and how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0% annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario.
- 10 000 EUR is invested

### If you end after 10 years

<b>Total costs</b>	300 EUR
<b>Annual cost impact (*)</b>	0,3 % each year

(\*) This illustrates how costs reduce your return each year over the holding period. For example it shows that if you terminate at the recommended holding period your average return per year is projected to be 6,88 % before costs and 6,55 % after costs.

## Composition of costs

One-off costs upon entry or exit		If you terminate after 1 year
Entry costs	3 % of the notional amount of this product. These costs are already included in the price you pay.	300 EUR
Exit costs	Exit costs could be up to the same amount as Entry costs. These costs only apply if you terminate or agree to terminate the product before maturity.	n.a.
Ongoing costs taken each year		
Management fees and other administrative or operating costs	We do not charge management fees and other administrative and operating costs for this product.	0 EUR
Transaction costs	We do not charge transaction costs for this product.	0 EUR
Incidental costs taken under specific conditions		
Performance fees and carried interest	We do not charge performance fees for this product.	0 EUR

## How long should I hold it and can I take money out early?

### Recommended holding period: 10 years

This product is designed for staying invested until the maturity date. The reason for this is that this product is intended to be used for hedging purposes.

The Interest Rate Collar 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 terms 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 of an early termination payment (if any) you receive or pay on such early termination is likely to be different from the scenarios described in this document. The early termination payment is not a penalty charge, but will be determined by the market value of the product at the time of termination and in addition there could be additional exit costs. Depending on the market conditions at the time of the early termination, the termination payment could result in substantial loss. 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.

## 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.fi](mailto:palveluasiamies@nordea.fi). This is a product where Nordea is the manufacturer and Nordea Bank Abp or another person is the distributor. In this role, Nordea Bank Abp or the distributor you have bought the product from, will answer questions concerning the product or advise and selling of the product. Complaints regarding the product itself or Nordea in its role as a manufacturer

## 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. The legally binding terms for this product will be presented as part of the trade confirmation prepared by Nordea, and will be made available to you after the trade has been concluded.