



INFORMATION ABOUT ALL COSTS AND CHARGES ON INVESTMENT PRODUCTS, EXAMPLES OF THEIR CALCULATION

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1. BROKERAGE SERVICES

1.1 PURCHASE OF SHARES, ETF BY PLACING AN ORDER WITH THE BROKERAGE DEPARTMENT

Example No. 1

- The Customer intends to buy 10,000 shares/ETF,
- the current share price is EUR 43.70.

The Customer's **transaction value** is:

$10,000 * 43.70 = \text{EUR } 437,000$ (cost of shares/ETF at the current price)

Costs of transactions in FIs	EUR	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction	1,529.50	0.35% of transaction value, min. EUR, USD, GBP 50 (depending on the transaction currency)
Share custody fee	91.04	0.25% per annum, min. 25 EUR/month
Total planned costs and charges	1,620.54	

The total costs of the Customer **when buying FIs** are $437,000 + 1,620.54 = \text{EUR } 438,620.54$

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	437,000.00
Percentage of commission fees of a transaction value	0.37 %
The total costs of the Customer when buying FIs	438,620.54
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is EUR 1,620.54, i.e. 0.37% of the amount invested (EUR 437,000.00)

Example No. 2

- The Customer intends to buy 1,000 shares/ETF,
- the current share price is USD 11.00,
- the EUR/USD rate on the settlement day 1.15

The Customer's **transaction value** is:

$1,000 * 11.00 = \text{USD } 11,000$ (cost of shares/ETF at the current price)

Costs of transactions in FIs	EUR	USD	Commission fees and conditions of transactions in FIs	
For the conclusion of the transaction	38.50/ 1.15= 33.48	(38.50) 50 will be withheld	0.35% of transaction value, min. EUR, USD, GBP 50 (depending on the transaction currency)	
Share custody fee	25	$25 \times 1.15 = \textbf{28.75}$	0.25% per annum, min. 25 EUR/month	
Commission fee for currency exchange	0	0		
Total planned costs and charges		78.75		



The total costs of the Customer **when buying FIs** are $11,000 + 78.75 = \text{USD } 11,078.75$

Charges related to the custody of shares/ETF at this price per month: $11,000 * 0.25\% / 12 = \text{USD } 2.29 * 1.15 = \text{EUR } 2.63 < \text{EUR } 25$. When the charges related to the custody of FIs are lower than the minimum commission, the minimum commission fee is applied to the final commission which in this case will be **EUR 25/USD 28.75**.

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	11,000.00
Percentage of commission fees of a transaction value	0.72 %
The total costs of the Customer <u>when buying FIs</u>	11,078.75
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 78.75, i.e. 0.72 % of the amount invested (11,000.00)

1.2 PURCHASE OF SHARES, ETF BY EXECUTING AN ORDER ON THE BIB TRADER PLATFORM

Example:

- The Customer intends to buy 10,000 shares/ETF traded on the German Market,
- The current share price is EUR 43.70.

The Customer's **transaction value** is:

$10,000 * 43.70 = \text{EUR } 437,000$ (cost of shares/ETF at the current price)

Costs of transactions in FIs	EUR	Commission fees and conditions of transactions in FIs
Commission fee for the online quoted data flow		It is applied individually depending on the customer type (natural person/legal entity) and selected markets
For the conclusion of the transaction	874.00	0.20% of transaction value, min. EUR 40
Commission fee for the use of a voice order or order by fax or via Internet Banking	43, 47 (exchange rate 1.15)	USD 50
Share custody fee	91.04	0.25% per annum, min. 25 EUR/month
Monthly fee for the use of the platform	100	
Total planned costs and charges	1,108.51	

The total costs of the Customer **when buying FIs** are $437,000 + 1,108.51 = \text{EUR } 438,108.51$

Charges related to the custody of shares/ETF at this price per month: $437,000 * 0.25\% / 12 = \text{EUR } 91.04$

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	437,000.00
Percentage of commission fees of a transaction value	0.25 %
The total costs of the Customer when buying FIs	438,105.51
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 1,108.51, i.e. 0.25 % of the amount invested (437,000.00)

1.3 PURCHASE OF BONDS BY PLACING AN ORDER WITH THE BROKERAGE DEPARTMENT

Example No. 1

- The Customer intends to buy bonds at par EUR 100,000,
- the current bonds price is 96.125%,
- the accumulated coupon yield for the current day is EUR 347

The Customer's **transaction value** is:

$$100,000 * 96.125\% + 347 = \text{EUR } 96,125 + \text{EUR } 347 = \underline{\text{EUR } 96,472}$$

Costs of transactions in FIs	EUR	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction	144.70	0.15% of transaction value, min. EUR 100
Bonds custody fee	20.83 < 25.00	0.25% per annum, min. 25 EUR/month
Possible commissions of intermediaries (exchanges, foreign regulators of the financial instrument market, associations, societies of participants in the regulated market, etc.), mandatory payments		Information on the amount of the commission will be received after the conclusion of the transaction
Total planned costs and charges	169.70	

The total costs of the Customer **when buying FIs** are $96,472 + 169.70 = \text{EUR } 96,641.70$

Charges related to the custody of bonds per month: $100,000 * 0.25\% / 12 = \text{EUR } 20.83 < \underline{\text{EUR } 25}$

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	96,472.00
Percentage of commission fees of a transaction value	0.18 %
The total costs of the Customer when buying FIs	96,641.70
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 169.70, i.e. 0.18 % of the amount invested (96,472.00)

**Example No. 2**

- The Customer intends to buy bonds at par USD 200,000,
- The current bonds price is 103.5%,
- The accumulated coupon yield for the current day is USD 2,356
- The EUR/USD rate on the settlement day is 1.15

The Customer's **transaction value** is:

$$200,000 * 103.5\% + 2,356 = \text{USD } 207,000.00 + \text{USD } 2,356.00 = \underline{\text{USD } 209,356.00}$$

Costs of transactions in FIs	EUR	USD	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction		314.03	0.15% of transaction value, min. EUR 100
Bonds custody fee	43.13		0.25% per annum, min. 25 EUR/month
Commission fee for currency exchange	0		
Total planned costs and charges		357.16	

The total costs of the Customer **when buying FIs** are 209,356.00 + 357.16 = **USD 209,713.16**

Charges related to the custody of bonds per month: $207,000 * 0.25\% / 12 = \underline{\text{USD } 43.13}$

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	209,356.00
Percentage of commission fees of a transaction value	0.17 %
The total costs of the Customer when buying FIs	209,713.16
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 357.16, i.e. 0.17 % of the amount invested (209,356.00)

1.4 PURCHASE OF INVESTMENT FUND SHARES BY PLACING AN ORDER WITH THE BROKERAGE DEPARTMENT

Example:

- The Customer intends to buy 10,000 shares of the balanced investment fund,
- The current price of the investment fund is EUR 10.70.

The Customer's **transaction value** is:

$$10,000 * 10.70 = \underline{\text{EUR } 107,000}$$

Costs and charges	EUR	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction	1,605.00	1.5% of transaction value, min. EUR 100
Fund share custody fee	22.29 < 25	0.25% per annum, min. 25 EUR/month
Total planned costs and charges	1,630.00	

The total costs of the Customer **when buying FIs** are 107,000 + 1,630.00 = **EUR 108,630.00**

Charges related to the custody of investment fund shares per month: $107,000 * 0.25\% / 12 = \underline{\text{EUR } 22.29}$, **EUR 25 will be withheld.**

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	107,000.00
Percentage of commission fees of a transaction value	1.52 %
The total costs of the Customer when buying FIs	108,630.00
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 1,630, i.e. 1.52 % of the amount invested (107,000.00)

1.5 PURCHASE OF CFDS BY PLACING AN ORDER VIA THE BIB TRADER PLATFORM

Example:

- The Customer intends to buy 10,000 CFDs,
- The current price of a CFD is USD 43.70.

The Customer's **transaction value** is:

$10,000 * 43.70 = \text{USD } 437,000$ (value of a CFD at the current price)

Costs of transactions in FIs	USD	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction	250.00	USD 0.025 per one contract, min. USD 50
CFD custody fee	No fee	
CFD financing fee	1,092.50 per month	3% per year, is automatically written off on the BIB Trader platform at the end of each month
Total planned costs and charges	1,342.50	

The total Customer's costs in the first month **when buying FIs** are $437,000 + 1,342.50 = \text{USD } 438,342.50$

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	437,000.00
Percentage of commission fees of a transaction value	0.31 %
The total costs of the Customer when buying FIs	438,342.50
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 1,342.50, i.e. 0.31 % of the amount invested (437,000.00)



1.6 PURCHASE OF FUTURES BY PLACING AN ORDER VIA THE BIB TRADER PLATFORM

Example:

- The Customer intends to buy 10 futures contracts,
- The current price of one futures contract is USD 7,500.

The Customer's **transaction value** is:

$10 * 7,500 = \text{USD } 75,000$ (value of futures contracts at the current price)

Costs of transactions in FIs	USD	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction	150	USD 15 per one contract, min. USD 50
Futures contracts custody fee	No fee	
Total planned costs and charges	150.00	

The total Customer's costs in the first month **when buying FIs** are $75,000 + 150 = \text{USD } 75,150.00$

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	75,000.00
Percentage of commission fees of a transaction value	0.2 %
The total costs of the Customer when buying FIs	75,150.00
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is USD 150, i.e. 0.2 % of the amount invested (USD 75,000)

1.7 CONCLUSION OF A REPO TRANSACTION

Example:

- The Customer intends to conclude a REPO transaction
- The Customer intends to pledge bonds with a par value of EUR 500,000 the current price of which on the market is 99.50%
- The Bank's REPO rate for such a transaction is 5.5%
- The Bank's funding for such a transaction is 70%
- REPO period: four weeks

Calculation of a REPO transaction:

$500,000 * 99.50 \% = 497,500$ (market bonds price in euro)

$497,500 * 0.7 = 348,250$ (loan amount issued by the Bank in euro)

$348,250 * 5.5\% / 360 * 28 = 1,489.74$ (Customer's interest payment for the transaction at the end of the period in euro)

Costs of transactions in FIs	EUR	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction	50	EUR 50 per each new REPO transaction
Interest rate for financing	1,489.74	Loan interest rate 5.5 %
Signing of a REPO contract	400	One-time payment for the execution of REPO documents EUR 400
Total planned costs and charges	1,939.74	



The total Customer's costs **when concluding a REPO transaction** for the first time are $50 + 1,489.74 + 400 = \text{EUR } 1,939.74$

The total Customer's costs **when concluding a REPO transaction** repeatedly are $50 + 1,489.74 = \text{EUR } 1,539.74$

The total Customer's costs **when extending a REPO transaction** are **EUR 1,489.74**

1.8 TRANSACTIONS IN THE FOREX EXCHANGE MARKET

Example:

- The Customer intends to buy EUR 500,000 for USD
- The current exchange rate is 1.15

The Customer's **transaction value** is:

$$500,000 * 1.15 = \text{USD } 575,000$$

Costs of transactions in FIs	USD	Commission fees and conditions of transactions in FIs
For the conclusion of the transaction	10.00	Up to USD 1,000,000 USD 10 per transaction are withheld, over USD 1,000,000 – there is no commission fee
Currency position holding fee	No fee	
Total planned charges	10.00	

Cumulative impact of costs and charges on investment returns

Costs of the Customer if the charges in connection with the investment service were zero	USD 575,000
Percentage of commission fees of a transaction value	0.00002 %
The total costs of the Customer <u>when buying FIs</u>	USD 575,010
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction.	The reduction in profit is USD 10, i.e. 0.00002% of the amount invested (575,000)



2 DEALING SERVICES

2.1 FOREIGN EXCHANGE (NOT USING THE TRADING PLATFORM)

Example:

The Customer concludes a foreign exchange transaction using own funds

- Currency pair EUR/USD,
- The amount of the contract is USD 100,000,
- Risk level: moderate
- Starting date of investment: 25.05.2018
- The end date of investment: 25.05.2018

Calculation of the exchange rate offered to the Customer:

Rate = 1.1726 (spot rate 1.1706 (25.05.18) and bank interest, for instance, 20 basis points).

Bank interest depends on the currency pair, transaction amount, market situation/volatility.

Description of the transaction:

For instance, the Customer produces textiles and exports them to the USA. On 25.05.2018, the Customer receives money for export – USD 100,000. The Customer needs to receive income in a different currency, for instance, in EUR. On 25.05.2018, the Customer enters into a contract with the Bank. The amount of the contract is USD 100,000.

The Bank offers to the Client a currency exchange rate with a settlement date 25.05.2018 selling USD 100,000 and buying EUR at the exchange rate $1.1726 = 100,000 / 1.1726 = \text{EUR } 85,280.57$

Charges and costs of the Customer related to the transaction are = EUR 85,280.57 (USD 100,000 / 1.1726)
- EUR 85,426.28 (USD 100,000 / 1.1706) = **EUR -145.71**

Investment services-related charges and costs:

Costs and charges	EUR	%
Related to investment services	0	0
Related to financial instruments in the given example	EUR 145.71	0.17%
Total planned costs and charges in the given example *	EUR 145.71	0.17%

* The total costs and fees can be affected by the characteristics of each transaction as well as the volume of transactions, market conditions, currency fluctuations, terms of transactions and other factors. Consequently, the completeness and accuracy of the information given in the example cannot be guaranteed.

The Customer needs to open a current account and a security deposit account with JSC Baltic International Bank.

If a currency transaction is concluded with a value date tomorrow or the day after tomorrow, but up to 3 days, on the day of conclusion of the transaction the Customer is obliged to transfer to the security deposit account a money amount of **at least 2.00% of the open currency position**. To get more detailed information, the Customer needs to contact his or her personal banker.



2.2 FX SWAP

Example:

Client concludes FX SWAP:

- the EUR/USD currency pair
- the amount of the investment: EUR 100 000
- risk level: high
- the planned investment horizon: 6 months
- initial date of the investment: 25.05.2018
- final maturity date of the investment: 25.11.2018

Expenses and costs	EUR	%
Associated with investment services	0	0
Associated with financial instruments specified in the example below	USD 1 740	1.74%
Total planned expenses and costs as specified in the example below *	USD 1 740	1.74%

* The nature of each individual transaction, the volume of transactions, market conditions, exchange rate fluctuations, tenures of transactions (tenure is the length of time until the maturity) and other factors can affect the amount of total expenses and costs. Therefore Bank cannot guarantee the completeness and accuracy of the information provided in the illustrative example.

Expenses and costs associated with investment services.

The example illustrates that Client must deposit (into the security deposit account), on the contract date, the amount of money equal to **10.00%** of the open currency position's value that totals **USD 10 000** (in accordance with Bank's requirements regarding security deposit when concluding forex transactions (while not using the trading platform)).

Bank's requirements regarding the security deposit will be agreed upon in a separate agreement concluded between Bank and Client. Bank-set amount of the security deposit will change on a daily basis according to the euro foreign exchange rate published by the ECB (the ECB reference rate) if the security deposit is not denominated in EUR but is denominated, for example, in USD. Until the closing date of the transaction, Client may not use the sum (deposited into the security deposit) for the purposes of his business.

Calculation of the exchange rate offered to Client:

25 May 2018 Market (spot) rate 1.1706

25 November 2018 Market (spot) rate 1.1706 + forward points 0.0174 = total price 1.1880

Description of the transaction

Client's profile: a speculator (speculative client) who wishes to keep his currency position open.

According to Client's forecast, after 6 months the EUR/USD pair will trade at 1.2000

Client maintains an open currency position

- buys EUR 100 000, sells USD 117 000, at a EUR/USD exchange rate of 1.1700

On 25 May 2018, Client concludes two transactions with Bank (here referred to as SWAP).

- Transaction 1: sells EUR 100 000, buys USD 117 060 (now, market rate is 1.1706); the settlement date is 25 May 2018.
- Transaction 2: buys EUR 100 000*1.1880 (forward rate) = sells USD 118 800; the settlement date is 25 November 2018.



Expenses and costs associated with the SWAP = USD 117 060 – USD 118 800 = **-USD 1740**

On the settlement date (25 November 2018), the USD/EUR currency pair trades at 1.2000 (market rate). On 25 November 2018, Client sells EUR 100 000*1.2000 (market exchange rate) = buys USD 120 000

1st scenario:

Assuming Client originates the transaction on 25 May 2018 and closes the currency position on the same day:

- on 25 May 2018, sells USD 117 000, buys EUR, exchange rate 1.1700 = 117 000/1.17= **EUR 100 000**
- on 25 May 2018, sells EUR 100 000, buys USD, exchange rate 1.1706 = 100 000.00* 1.1706 = **USD 117 060**

Client's gain would total = 117 060 – 117 000 = **USD 60**

2nd scenario:

If Client concludes SWAP:

- on 25 May 2018, sells USD 117 000, buys EUR, exchange rate 1.1700= 117 000/1.17= **EUR 100 000**
- on 25 May 2018, sells EUR 100 000, buys USD, exchange rate 1.1706= 100 000.00*1.1706 = **USD 117 060**
- On 25 May 2018 (**maturity date 25 November 2018**), buys EUR 100 000, sells USD, exchange rate 1.1880 =
= 100 000 * 1.1880 = **USD 118 800**
- On 25 November 2018, sells EUR 100 000, buys USD, exchange rate 1.2000= 100 000 EUR *1.20=
USD 120 000

Client's gain from SWAP is:

-117 000 +117 060 – 118 800 + 120 000 = **USD 1 260**

Transaction date	Transaction stage	Currency position	Exchange rate	Value date
25.05.2018	open currency position	+ EUR 100 000 - USD 117 000	1.1700	25.05.2018
25.05.2018	SWAP	+ USD 117 060 - EUR 100 000	1.1706	25.05.2018
25.05.2018	SWAP	+ EUR 100 000 - USD 118 800	1.1880	25.11.2018
25.11.2018	closed currency position	- EUR 100 000 + USD 120 000	1.2000	25.11.2018

In both scenarios, the take-profit strategy is employed in respect of Client's position.

Thus, Client can extend the tenor of the open currency position, depending on the projected exchange rate movements. To extend the tenor of the open currency position, Client can use a one-day swap or a transaction with maturity of up to 6 months.



2.3 FX FORWARD

Example:

Client concludes an FX Forward:

- the EUR/USD currency pair
- contractual amount: USD 100 000
- risk level: high
- the planned investment horizon: 6 months
- initial date of the investment: 25.05.2018
- final maturity date of the investment: 25.11.2018

Expenses and costs associated with investment services:

Expenses and costs	EUR	%
Associated with investment services	0	0
Associated with financial instruments specified in the example below	EUR 1 251.20	1.47%
Total planned expenses and costs as specified in the example below *	EUR 1 251.20	1.47%

* The nature of each individual transaction, the volume of transactions, market conditions, exchange rate fluctuations, tenures of transactions (tenure is the length of time until the maturity) and other factors can affect the amount of total expenses and costs. Therefore Bank cannot guarantee the completeness and accuracy of the information provided in the illustrative example.

The example illustrates that Client must deposit (into the security deposit account), on the contract date, the amount of money equal to **10.00%** of the open currency position's value that totals **USD 10 000** (in accordance with Bank's requirements regarding security deposits when concluding forex transactions (while not using the trading platform).

Bank's requirements regarding the security deposits will be agreed upon in a separate agreement concluded between Bank and Client. Bank-set amount of the security deposit will change on a daily basis according to the euro foreign exchange rate published by the ECB (the ECB reference rate) if the security deposit is not denominated in EUR but is denominated, for example, in USD. Until the closing date of the transaction, Client may not use the sum (deposited into the security deposit) for the purposes of his business.

Calculation of the exchange rate offered to Client:

Market (spot) rate 1.1706 (25.05.2018) + forward points 0.0174 = Total exchange rate 1.1880 (25 November 2018)

Description of the transaction:

- 1) For example, Client manufactures textiles and exports them to the USA. On 25 May 2018, the company concludes the export contract but the settlement date is 6 months from the delivery, i.e. 25 November 2018. Client will receive income (money for the goods delivered) after the expiry of the 6-month period. On 25 May 2018, the company concludes also the agreement with Bank.

Contractual amount: USD 100 000

- Assuming Client originates the transaction on 25 May 2018, sells USD 100 000 USD, buys EUR, exchange rate 1.1706 = $100\ 000 / 1.1706 = \text{EUR } 85\ 426.28$
- Bank offers Client a deal: forward exchange rate and settlement date on 25 November 2018, to sell USD 100 000, to buy EUR, exchange rate $1.1880 = 100\ 000 / 1.1880 = \text{EUR } 84\ 175.08$

Expenses and costs associated with the FX Forward total $\text{EUR } 84\ 175.08 - \text{EUR } 85\ 426.28 = - \text{EUR } 1\ 251.20$



Client's gain from FX Forward:

Let us assume that on 25 November 2018 the EUR/USD pair trades at the actual market exchange rate of 1.2000, to sell USD 100 000, to buy EUR, $\text{USD } 100\,000.00 / 1.20 = \text{EUR } 83\,333.33$

If Client has not concluded the forward deal, the company's loss will total:

$\text{EUR } 85\,426.28 - \text{EUR } 83\,333.33 = \text{EUR } 2092.95$

If Client has concluded the forward deal, the company's loss will total:

$\text{EUR } 84\,175.08 - \text{EUR } 83\,333.33 = \text{EUR } 841.75$. Please note that in this case, the stop loss technique is employed to reduce loss on the position.

On 25 May 2018, the security deposit totals USD 10 000.00 and will total USD 10 000.00 until 25 November 2018 as well.

The security deposit amount is frozen during the life of the deal and will be remitted to Client's account on the final maturity date of the investment.

2) For example, Clients conducts speculative transactions.

According to Client's forecast, the USD/EUR pair will trade at 1.2000 after 6 months. On 25 May 2018, the market exchange rate is 1.1706. On 25 May 2018, Client and Bank conclude the agreement that specifies the USD/EUR exchange rate of 1.1880 and the settlement date 25 November 2018.

$\text{USD } 100\,000 / 1.1880 = \text{EUR } 84\,175.08$

On 25 November 2018, the USD/EUR pair trades at 1.2000.

Assuming Client originates the transaction on 25 May 2018, the situation would be as follows: Client maintains currency position and the EUR/USD exchange rate of 1.2000 is anticipated

($\text{USD } 100\,000 / 1.1706 = \text{EUR } 85\,426.28$) and immediately buys USD, then **Client's gain** will be ($\text{EUR } 85\,426.28 * 1.20 = \text{USD } 102\,511.54 - \text{USD } 100\,000 = \text{USD } 2\,511.54$)

If Client concludes the forward deal, Client will receive EUR 84 175.08 (forward deal) and immediately buys USD at the EUR/USD exchange rate of 1.2000 (market exchange rate)

$\text{EUR } 84\,175.08 * 1.20 = \text{USD } 101\,010.10$

Client's gain is $101\,010.10 - \text{USD } 100\,000 = \text{USD } 1\,010.10$

The stop-loss or take-profit strategies are employed in respect of Client's position.



2.4 FOREX TRANSACTIONS WITHIN THE CONTEXT OF MARGIN TRADING (without using the trading platform)

Example:

Client concludes a margin trading transaction:

- the EUR/USD currency pair
- the contractual amount: USD 100 000
- risk level: high
- the planned investment horizon: 3 days
- initial date of the investment: 04.03.2019
- final maturity date of the investment: 06.03.2019

Expenses and costs associated with investment services.

Expenses and costs	EUR	%
Associated with investment services	0	0
Associated with financial instruments specified in the example below	EUR 116.29	1.89 %
Total planned expenses and costs as specified in the example below *	EUR 116.29	1.89 %

It is imperative that Client opens current account, guarantee deposit account and security deposit account with Bank (if Bank's requirements oblige Client to do so).

Before originating a forex transaction, Client must deposit a certain amount of money into the **guarantee deposit** account. Bank's requirements relating to **guarantee** deposits will be agreed upon in a separate agreement concluded between Bank and Client.

If Bank and Client conclude a forex transaction with **value date of more than 1 day**, Client must deposit (into the **guarantee deposit** account), on the contract date, the sum of no less than **2.00%** of the open currency position's value that according to the example totals **USD 2 000 00**.

Bank's requirements regarding the **security** deposit amount will be agreed upon in a separate agreement concluded between Bank and Client. Bank-set amount of the security deposit will change on a daily basis according to the euro foreign exchange rate published by the ECB (the ECB reference rate) if the security deposit is not denominated in EUR but is denominated, for example, in USD. Until the closing date of the transaction, Client may not use the sum (deposited into the security deposit) for the purposes of his business.

Calculation of the exchange rate offered to Client

Market (spot) rate 1.135 (04.03.2019) + Bank's fee - points 0.0015 = total price 1.1365 (04.03.2019)

Description of the transaction:

Client conducts speculative transactions.

According to Client's forecast, the USD/EUR pair will trade at 1.15 after 3 days.

Now, the market exchange rate is 1.135 USD/EUR. Client concludes the agreement with Bank on 4 March 2019 when the USD/EUR pair trades at 1.1365 and the settlement date is 6 March 2019.

100 000 USD /1.1365= **EUR 87 989.44**

Guarantee deposit amount = USD 5 000 (5% of the contract amount)

Security deposit amount = USD 2 000 (2% of the contract amount)

Total = USD 7 000



Total expenses and costs are Bank's fee – points 0.0015.

If Client concludes a forex transaction without the intermediation of Bank, the price will be 1.1350 USD/EUR, and Client's current account will receive USD 100 000 / 1.135 = **EUR 88 105.73**

If Client concludes a forex transaction with the intermediation of Bank, the price will be 1.1365 USD/EUR, and Client's current account will receive USD 100 000 / 1.135 = **EUR 87 989.44**

Let's calculate the difference EUR 88 105.73 – EUR 87 989.44 = EUR 116.29

Total expenses and costs are Bank's fee - points 0.0015 or EUR 116.29

The cumulative effect on the invested capital is EUR 116.29 *1.1350= USD 131.99 /USD 7 000 *100%=1.89 %

* The nature of each individual transaction, the volume of transactions, market conditions, exchange rate fluctuations, tenures of transactions (tenure is the length of time until the *maturity*) and other factors can affect the amount of total expenses and costs. Therefore Bank cannot guarantee the completeness and accuracy of the information provided herein.



3 INDIVIDUAL ASSET MANAGEMENT SERVICES

3.1 CONSERVATIVE INVESTMENT PORTFOLIO

Amount of investment - EUR 200,000

Level of risk – low

Planned investment period – 2 years

	Asset allocation	Asset type and proportion	Approximate amount, EUR	Transaction charges (%)	Transaction charges, EUR
Share funds 0%	USA	0%	0	0,20%, min.50 EUR	0
	Developed markets	0%	0		0
	Emerging markets	0%	0		0
Bond funds 100%	Investment grade	95%	190 000	380	380
	High yield	5 %	10 000		20<50, 50 is applicable
Total:					430

Expense type	%	EUR
Related to investment services	Management fee (per year)	1,00
	Custody fee (per year)	0,18
	Transaction charges	0,20
Total planned costs and charges		2 790

Cumulative impact of costs and charges on investment returns

	Investment period	
	1 year	2 years
Costs of the Customer if the charges in connection with the investment service were zero	200 000, 00	200 000, 00
Percentage of commission fees of a transaction value	1, 395 %	2, 575 %
The total costs of the Customer when buying FIs	202 790,00	205 150,00
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 2,790.00, i.e. 1,395 % of the amount invested (200,000)	The reduction in profit is 5,150,00, i.e. 2,575 % of the amount invested (200,000)



3.2 CONSERVATIVE+ INVESTMENT PORTFOLIO

Amount of investment - EUR 200,000

Level of risk – low

Planned investment period – 3 years

Asset allocation		Asset type and proportion	Approximate amount, EUR	Transaction charges (%)	Transaction charges, EUR
Share funds 25%	USA	15,25%	30 500	0,20%, min.50 EUR	61
	Developed markets	9%	18 000		36<50, 50 is applicable
	Emerging markets	0,75%	1 500		3<50, 50 is applicable
Bond funds 75%	Investment grade	71,25 %	142 500		285
	High yield	3,75 %	7 500		15<50, 50 is applicable
Total:					496
Expense type			%	EUR	
Related to investment services	Management fee (per year)		1,00	2 000	
	Custody fee (per year)		0,18	360	
	Transaction charges		0,20	496	
Total planned costs and charges					2 856

Cumulative impact of costs and charges on investment returns

	Investment period	
	1 year	3 years
Costs of the Customer if the charges in connection with the investment service were zero	200 000, 00	200 000, 00
Percentage of commission fees of a transaction value	1, 428%	3, 788%
The total costs of the Customer when buying FIs	202 856,00	207 576,00
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 2,856.00, i.e. 1,428 % of the amount invested (200,000)	The reduction in profit is 7,576,00, i.e. 3,788 % of the amount invested (200,000)



3.3 BALANCED INVESTMENT PORTFOLIO

Amount of investment – EUR 200,000

Level of risk – medium

Planned investment period – 5 years

Asset allocation		Asset type and proportion	Approximate amount, EUR	Transaction charges (%)	Transaction charges, EUR
Share funds 50%	USA	30,5%	61 000	0,20, min.50 EUR	122
	Developed markets	18%	36 000		72
	Emerging markets	1,5%	3 000		6< 50, 50 is applicable
Bond funds 50%	Investment grade	47,5%	95 000		190
	High yield	2,5%	5 000		10< 50, 50 is applicable
Total:					484

Expense type	%	EUR
Related to investment services	Management fee (per year)	1,00
	Custody fee (per year)	0,18
	Transaction charges	0,20
Total planned costs and charges		2 844

Cumulative impact of costs and charges on investment returns

	Investment period	
	1 year	5 years
Costs of the Customer if the charges in connection with the investment service were zero	200 000, 00	200 000, 00
Percentage of commission fees of a transaction value	1, 422%	6,142%
The total costs of the Customer when buying FIs	202 844,00	212 284,00
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 2,844.00, i.e. 1,422 % of the amount invested (200,000)	The reduction in profit is 12,284.00, i.e. 6,142% of the amount invested (200,000)



3.4 BALANCED+ INVESTMENT PORTFOLIO

Amount of investment – EUR 200,000

Level of risk – medium

Planned investment period – 7 years

Asset allocation		Asset type and proportion	Approximate amount, EUR	Transaction charges (%)	Transaction charges, EUR
Share funds 75%	USA	45,75%	91 500	0,2, min.50 EUR	183
	Developed markets	27%	54 000		108
	Emerging markets	2,25%	4 500		9< 50, 50 is applicable
Bond funds 25%	Investment grade	23,75%	47 500		95
	High yield	1,25%	2 500		5< 50, 50 is applicable
Total:					486

Expense type	%	EUR
Related to investment services	Management fee (per year)	1
	Custody fee (per year)	0,18
	Transaction charges	0,2
Total planned costs and charges		2 846

Cumulative impact of costs and charges on investment returns

	Investment period	
	1 year	7 years
Costs of the Customer if the charges in connection with the investment service were zero	200 000, 00	200 000, 00
Percentage of commission fees of a transaction value	1,423%	8,503%
The total costs of the Customer when buying FIs	202 846,00	217 006,00
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 2,846.00, i.e. 1,423 % of the amount invested (200,000)	The reduction in profit is 17,006,00, i.e. 8,503% of the amount invested (200,000)



3.5 AGGRESSIVE INVESTMENT PORTFOLIO

Amount of investment – EUR 200,000

Level of risk – high

Planned investment period – 10 years

Asset allocation		Asset type and proportion	Approximate amount, EUR	Transaction charges (%)	Transaction charges, EUR
Share funds 100%	USA	51%	102 000	0,2, min.50 EUR	204
	Developed markets	46%	92 000		184
	Emerging markets	3%	6 000		12< 50, 50 is applicable
Bond funds 0%	Investment grade	0%	0	0	0
	High yield	0%	0		0
Total:					438

Expense type	%	EUR
Related to investment services	Management fee	1
	Custody fee	0,18
	Transaction charges	0,2
Total planned costs and charges		2 798

Cumulative impact of costs and charges on investment returns

	Investment period	
	1 year	10 years
Costs of the Customer if the charges in connection with the investment service were zero	200 000, 00	200 000, 00
Percentage of commission fees of a transaction value	1,399 %	10, 839 %
The total costs of the Customer when buying FIs	202 798,00	221 678,00
Cumulative impact of the Customer's costs in connection with the purchase of FIs in a FI transaction	The reduction in profit is 2,798.00, i.e. 1,399 % of the amount invested (200,000)	The reduction in profit is 21,678,00, i.e. 10,839% of the amount invested (200,000)