



KEY INFORMATION DOCUMENT

PURPOSE

This document provides you with key investor information about an investment product described herein. It is not marketing material. The information is required by law to help you understand the nature, risks, costs and fees, potential gains and losses of this product and compare it with other products.

PRODUCT

Product name:	FX SWAP
Manufacturer of PRIIP (Packaged Retail and Insurance-based Investment Product):	Baltic International Bank SE, unified business identifier No 40003127883, LEI 213800U3Y2TMRMKLNE90
Contact details:	www.bib.eu ; Grēcinieku iela 6, Rīga, LV-1050; tel. (+371) 6700 0444
Competent authority:	The Financial and Capital Market Commission of the Republic of Latvia
This KID is accurate as at:	03.09.2020

WARNING! You intend to purchase an investment product that is not categorised as a non-complex one and may therefore be difficult to understand.

WHAT IS THIS PRODUCT?

Type: FX SWAP, an over-the-counter (OTC) deal

The nature of the deal: FX SWAP is a foreign-exchange agreement between two parties to buy (or sell) a specific amount of a currency at an agreed-upon rate on the settlement date, and to sell (or buy) the same amount of currency on a later settlement date at an agreed-upon rate. There are two legs in a FX swap transaction. In the first leg of the swap, a specific amount of a currency is bought (or sold) against another currency at the prevailing spot rate. In the second leg of the transaction, an equal amount of currency is sold (or bought) against the other currency at the forward rate. In the forex market, swap transaction is sometimes referred to as a “sell and buy”, or a “buy and sell”. This is a non-deliverable swap as there is no physical delivery of the two currencies involved in the swap.

Your profits depend on the following factors: the exchange rate of the both currencies and the changes in the market interest rates of the both currencies during the life of the product.

The following example illustrates the terms of FX SWAP. These are not the terms agreed upon between you and the manufacturer. Precise terms are described in the confirmation of each individual transaction.

The illustrative terms are used in developing further execution scenarios and calculating the costs.

Base currency (you sell)	EUR	The initial swap date	15.05.2020
Transaction currency (you buy)	USD	Pre-agreed initial exchange rate	1.0812
The amount	EUR 10 000	The final swap date	15.11.2020
		Pre-agreed final exchange rate	1.0877

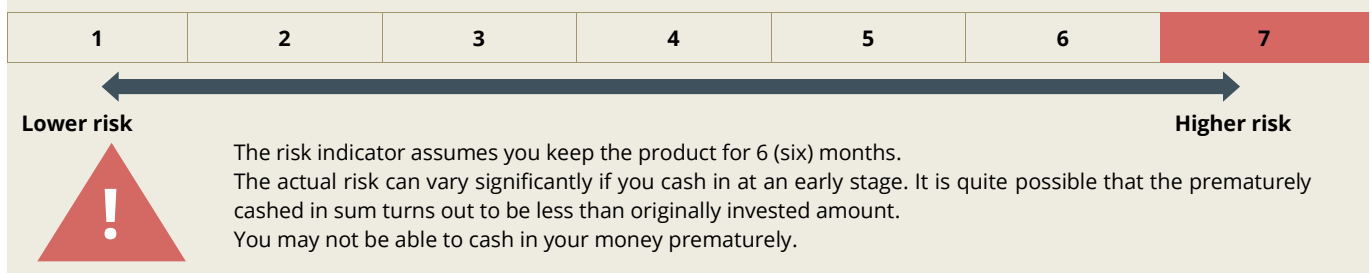
TARGET INVESTORS

The product is designed for those retail clients who

- want to hedge themselves against unfavourable exchange rate fluctuations and potential losses
- are able to bear investment loss where the losses may exceed the original amount invested
- are able to bear the investment horizon of the product
- possess theoretical knowledge and experience in respect of financial markets and the product.

WHAT ARE THE RISK AND WHAT COULD I GET IN RETURN?

The Summary Risk Indicator (SRI)





The SRI 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 to a large extent on currency developments (money market fluctuations) or because Bank, as the product manufacturer, will not be able to pay the money back to the investor. The risk of the product is represented on a scale of 1 to 7. We have classified this product as 7 out of 7 which points to a very high-risk category. The SRI shows that the probability of loss is very high.

You should take into consideration the existence of currency risk. As you will receive payouts denominated in other currency, your final return ratios depend on the exchange rates of the both currencies. Previously discussed ratio has not taken account of currency risk.

Under certain circumstances, you may need to make additional payments to cover losses. The total amount of your potential losses can substantially exceed the original amount invested.

This product does not include any protection from future market performance so you can lose some or all of your investments. If Baltic International Bank SE is unable to pay out, you can lose all invested capital. In addition to the original amount invested, you may need to make new investment-specific payments, and the total amount of your losses can therefore significantly exceed the original amount invested. As a retail client, you should take account of the fact that the tax law of the home Member State can affect the actual costs.

Other material risks: risk of interest rates that are not beneficial for the investor or the risk of volatile exchange rates, default risk (the risk that the counterparties to the transaction fail to discharge their obligations), market price risk, stop-out risk, liquidity risk, systems-specific risk, country risk, regulatory/legislative risk, tax risk, counterparty risk (also known as 'default risk'), risk of OTC trading, and others. Information about the risks is available on Bank's website: <https://www.bib.eu/uploads/2017/02/Finansu-instrumentu-risku-raksturojums-09.12.2014-LV.pdf>

THE PERFORMANCE SCENARIOS

Amount invested	EUR 10 000	
Scenarios (the maximum holding period)	6 months	
Stress scenario (What you might get back after costs and charges)	USD 1.15 vs EUR 1.00 ((1.0877-1.15)*10000 EUR)	-623.00 USD
Average return per half-year		-6.23%
Unfavourable scenario (What you might get back after costs and charges)	USD 1.10 vs EUR 1.00 ((1.0877-1.10)*10000 EUR)	-123.00 USD
Average return per half-year		-1.23%
Moderate scenario (What you might get back after costs and charges)	USD 1.07 vs EUR 1.00 ((1.0877-1.07)*10000)	+177.00 USD
Average return per half-year		+1.77%
Favourable scenario (What you might get back after costs and charges)	USD 1.01 vs EUR 1.00 ((1.0877-1.01)*10000)	+777.00 USD
Average return per half-year		+7.77%

This Table shows the money you could get back over the next 6 months under different scenarios, assuming that you invest EUR 10 000. 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 hold the respective investment/ product.

WHAT HAPPENS IF BALTIC INTERNATIONAL BANK SE IS UNABLE TO PAY OUT?

Your investments are exposed to default risk. Default risk is the event in which Baltic International Bank SE can be unable to discharge its obligations with respect to the product (e.g. in circumstances such as Bank's insolvency or Bank's adherence to the relevant administrative order). The holders of this product do not enjoy regulatory protection under the Deposit Guarantee Act [Noguldījumu garantiju likums] of the Republic of Latvia. If the issuer / product manufacturer is unable to make payouts, then you will not receive any payments in connection with this product from Baltic International Bank SE.

WHAT ARE THE COSTS?

The Reduction in Yield (RIY) shows, what impact the total costs you pay will have on the investment return you might get. 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 maximum recommended holding period. They include potential early exit penalties. The figures assume you invest EUR 10 000. The figures are estimates and may change in the future.

Cost 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.



Investments (EUR 10 000)	If you cash in at the end of the recommended holding period
Total costs	-59.76 EUR (RATE 1.0877)
Impact on return per year	0.5976%

Composition of costs

The costs to individual retail investors vary on the basis of the underlying investment option.

The Table below shows the impact on return per year and contains the following information:

- the cumulative effect of different types of costs (as identified each year) on the investment return you might get at the end of the recommended holding period,
- the meaning of the different cost categories.

One-off costs	Entry costs	0%	The impact of the costs you pay when entering your investment, i.e. the costs which are embedded in the price.
	Mark-up	Ranging from 0.1% to 1% of the currency exchange rate	Where a transaction is executed via an OTC market, the mark-up is established. The mark-up represents the difference between the price specified by Client and the actual execution price. If the transaction is denominated in a currency other than EUR, then the mark-up charged is denominated in the transaction currency. The EUR equivalent in the transaction currency is determined by using Bank's exchange rate effective on the transaction date. This is the maximum amount of money that can be charged. It is quite probable that you will pay less.
	Exit costs	None	The impact of the costs of exiting your investment when it matures.
Ongoing costs	TOM/NEXT swap points (Forward price)	Market rate	A daily rollover fee. TOM/NEXT <i>swap points</i> (Forward price) are formed on the basis of the price offered to Bank by other counterparty banks in OTC market
	Other ongoing costs	0%	The impact of the costs that we charge each year for managing your investments (investment management fee): 0%

HOW LONG SHOULD I HOLD IT? CAN I TAKE MONEY OUT EARLY?**Recommended holding period**

You are obligated to hold the product until the respective settlement dates as specified in the transaction terms.

The product does not envisage the possibility to disinvest prior to maturity. Premature disinvestment is possible if other related agreement/contract is terminated or at sole discretion of Baltic International Bank SE. If you disinvest prematurely, you may be required to a premature exit fee. The amount of the fee depends on specific market conditions (market performance). Potentially, you may incur substantial losses or you may gain profit.

HOW CAN I COMPLAIN?

To lodge your oral or written complaint about the product or the conduct of Baltic International Bank SE, you can:

- call your private banker or call at (+371) 6700 0444;
- visit Bank (Kalēju ielā 43 or Bank's head office at Grēcinieku ielā 6, Riga);
- send a registered letter;
- email your complaint at sudzibas@bib.eu or fax it at (+371) 6700 0555.

Information about how to lodge complaints is available on our website <https://www.bib.eu/lv/sudzibu-un-stridu-izskatisana>.

OTHER RELEVANT INFORMATION

I Investment services, including investments in financial instruments such as FX SWAP, are associated with risks described in Bank's document titled „Description of Financial Instruments and Inherent Risks” available on our website <https://www.bib.eu/lv/dokumenti>.