

## Key Information Document

This document provides you with key information about this 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.

### FX FLEXIBLE FORWARD (BUY)

Manufacturer of the product: UBB AD (<https://www.ubb.bg>)

Call 02 811 2449 for more information

Competent authority: Financial Supervision Commission ([www.fsc.bg](http://www.fsc.bg))

**Production date of the KID: 03 June 2020**

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

What is this product?

### Type

FX Flexible Forward (buy)

### Objectives

An flexible forward contract (buy) is a forward buy of an amount in a foreign currency at a pre-agreed exchange rate. This rate remains applicable for a pre-agreed maturity window period. The following elements are agreed upon when entering into the contract:

- The nominal amount
- The exchange rate for the concerned currencies
- The delivery date
- The maturity window period for which the pre-agreed exchange rate is applicable



### Advantages of the transaction

- The exchange rate is fixed in advance for the duration of the window period, giving you certainty
- No premium to be paid
- Full protection against adverse movements of the hedged currency

### Risks of the transaction

- The actual market value of the flexible forward deal is influenced by the spot rate, the interest rates of the two currencies and the difference between them for the remaining tenor
- As a forward is an obligation to buy a currency at a predetermined exchange rate and date in the future, there is the potential for an unwanted profit or loss if the underlying risk might have disappeared. In theory, both the potential foreign exchange gains and losses can be unlimited.

### Intended for MiFID retail client

UBB offers this product as one of the tools that can be used by its MiFID retail client to hedge its underlying FX exposures. It is not intended as an investment product in the sense that the retail client will try to make a profit by investing (i.e. buying and selling) in this product. It is only offered as a means to create protection against adverse FX movements for the retail client. As such, the combination of this product with the underlying exposure will determine the client's risk exposure.

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. 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 a 7 out of 7, which is the highest risk class

## Performance scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Nominal amount EUR 10.000		Maturity
Scenarios		
<b>Stress scenario</b>	<b>What you might get back after costs</b>	<b>EUR 7008,83</b>
	Average return/loss over nominal amount each year	<b>-29,91%</b>
<b>Unfavorable scenario</b>	<b>What you might get back after costs</b>	<b>EUR 8889,63</b>
	Average return/loss over nominal amount each year	<b>-11,10%</b>
<b>Neutral scenario</b>	<b>What you might get back after costs</b>	<b>EUR 9871,53</b>
	Average return/loss over nominal amount each year	<b>-1,28%</b>
<b>Favorable scenario</b>	<b>What you might get back after costs</b>	<b>EUR 10923,18</b>
	Average return/loss over nominal amount each year	<b>9,23%</b>

This table shows the actual market value of your contract until maturity, under different scenarios, assuming a nominal amount of EUR 10.000.

The scenarios shown illustrate how your contract 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 and are not an exact indicator. The actual market value of your contract will vary depending on how the market performs and how long you keep the product.

The stress scenario shows the actual market value of your contract in extreme market circumstances and it does not take into account



the situation where we are not able to pay you.

The figures shown include all the costs of the product itself.

What happens if UBB is unable to pay out?

The Performance of the contract is dependent on the solvency of UBB.

What are the costs?

### Costs over time

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. 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 one holding period. They include potential early exit penalties. The figures assume a nominal amount of EUR 10.000. The figures are estimates and may change in the future.

<b>Nominal amount EUR 10.000 Scenarios</b>	<b>at maturity EUR 100</b>
<b>Total costs</b>	
Impact on return (RIY) per year	<b>1,00%</b>



## Composition of costs

The table below shows:

- the impact each year of the different types of costs on the performance of the product at maturity
- What the different cost categories means.

This table shows the impact on return per year			
<b>One-off costs</b>	<b>Entry costs</b>	1,00%	The impact of the costs already included in the price. This is the most you pay and you could pay less.
<b>Ongoing costs</b>	n/a		
<b>Incidental costs</b>	n/a		

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

### Recommended holding period: until maturity

Concluding transactions with foreign currency derivatives is a firm commitment for both parties to the transaction.

When entering into a flexible forward contract the client is obliged to perform the commitment for purchase or sale of the agreed amount at the agreed exchange rate within the agreed time period. The deal cannot be cancelled.

You have the possibility to (partially) terminate your contract early.

How can I complain?

You can submit any complaints you may have to: Sofia 1463, 89B Vitosha Blvd., by email to [jalbi@ubb.bg](mailto:jalbi@ubb.bg) or at **0700 117 17**, as well as on the website of the Bank <https://www.ubb.bg/contacts/feedback>



Other relevant information

Additional information about this product can be found at the Bank's website:

1. For individual clients <https://www.ubb.bg/individual-clients/trejyri/derivati>
2. For corporate clients <https://www.ubb.bg/business-clients/business-treasury/business-derivati-i-drugi-finansovi-instrumenti>