

Key Information Document

The document hereby provides you with key information about this investment product. It is not advertising 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 Swap (SELL)

Inventor of the product: UBB AD (<http://www.ubb.bg>)

Call 02 811 2449 for more information

Competent Authority: Financial Supervision Commission (www.fsc.bg)

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

What is this product?

Type

FX Swap (sell)

Objectives

An FX Swap is a contract to buy an amount of currency at an agreed rate on one date (the 'near' date) and simultaneously sell the same amount of that currency on a future date (the 'far' date) to the same counterparty also at an agreed rate. The following elements are agreed upon when entering into the contract:

- the nominal amount
- the exchange rates (buy and sell) for the concerned currencies
- the delivery dates (near and far)

Advantages of transaction

- The near and far exchange rates are fixed in advance, giving you certainty.
- No premium to be paid.
- Full protection against adverse movements of the hedged currency.

Risks of transaction

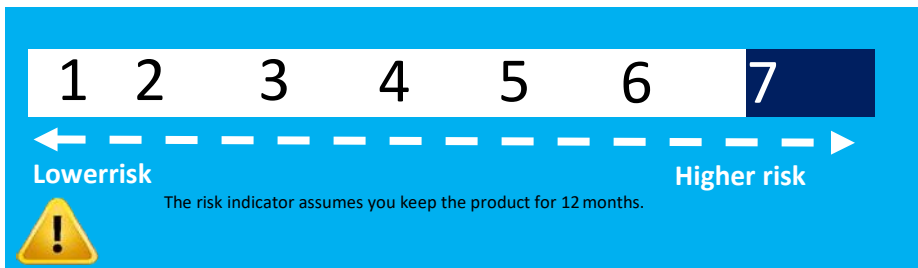
- The actual market value of the swap deal is influenced by the spot rate, the interest rates of the two currencies and the difference between them for the remaining tenor.
- As the far leg of the FX swap is an obligation to sell a currency at a predetermined exchange rate and date in the future, there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

Intended for retail clients according to the Markets in Financial Instruments Directive (MiFID)

UBB AD 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 for the retail client against adverse FX movements. As such, the combination of this product with the underlying exposure will determine the client's risk exposure.

What are the risks and what return could I get?

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

Nominal amount EUR 10,000		Maturity
Scenarios		
Stress scenario	What you might get back after costs	EUR 7.581
	Average return/loss over nominal amount each year	-24,08%
Unfavorable scenario	What you might get back after costs	EUR 8.470
	Average return/loss over nominal amount each year	-15,23%
Neutral scenario	What you might get back after costs	EUR 9.661
	Average return/loss over nominal amount each year	-3,37%
Favorable scenario	What you might get back after costs	EUR 10.709
	Average return/loss over nominal amount each year	7,05%

This table shows the 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 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 AD is unable to pay out the amount due?

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

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 transaction. 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.



Nominal amount EUR 10,000 Scenarios	at maturity
Total costs	EUR 100
Impact on return (RIY) per	1,00%

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 mean.

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

How long should I hold my money and can I withdraw it earlier?

Recommended holding period: until maturity

Conducting transactions with FX derivatives is a firm commitment for both parties of the transaction.

Upon concluding a currency forward/swap on the contractual date of maturity the client must fulfil the assumed obligation to sale-purchase of the agreed amount as per the pre-arranged contractual rate. The transaction cannot be terminated or cancelled.

Partial or full closure of the position is possible by concluding counter-transaction with the same instrument.



How can I file a complaint?

Any complaints related to the product shall be submitted in writing to: 1463 Sofia, 89B Vitosha Blvd., or via e-mail: jalbi@ubb.bg or telephone **0700 117 17**, as well as on the bank website <http://www.ubb.bg/contacts/feedback>

Other useful information

Further information on the product is available on the bank website:

1. for corporate clients at <https://www.ubb.bg/business-clients/business-treasury/business-derivati-i-drugi-finansovi-instrumenti>