

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

PRIIP product name	OTC - Forward
Name of PRIIP manufacturer	Signet Bank AS
Contact number for PRIIP manufacturer	Call +371 67 080 000 for more information or visit www.signetbank.com
Competent Authority	Financial and Capital Market Commission
Date of production	The date of this Key Information Document is 27 December 2021

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

What is this product?

Type	An Over the Counter Derivative (OTC) contract – Forward Foreign Exchange Instrument
Objectives	<ul style="list-style-type: none">• The objective of this product is to exchange an agreed amount of one currency for another currency at an agreed exchange rate (forward rate) on a future date (maturity date). It may be used as a protection against adverse changes in exchange rates.• The product achieves its objective by you and Signet Bank agreeing to the terms of the FX Forward, under which you agree to pay Signet Bank an agreed amount in one currency and Signet Bank agrees to pay you an agreed amount in another currency on the maturity date.• Payments under an FX Forward consist of the agreed amounts in the two currencies which are based on the agreed forward rate.• The forward rate is the sum of the current exchange rate (the FX spot rate and the forward points (i.e. the difference in interest rates in both currencies for the maturity date of the product).• The market value of the FX Forward is exposed to changes in the current exchange rate between the two currencies and changes in the market interest rates in both currencies for the time to maturity of the product.• The expiry date of the FX Forward will be set out in the confirmation for the product. The FX Forward is a bilateral agreement that cannot ordinarily be terminated unilaterally by either you or Signet Bank. 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 Signet Bank. The product may also be terminated upon mutual agreement. The amount (if any) you receive or pay on such early termination is likely to be different from the scenarios described in this document.• Illustrative terms are set out below, which are illustrative of the terms of an FX Forward, but which do not reflect the exact terms you agree with Signet Bank. The exact terms will be set out in an individual trade confirmation.

	Notional amount	15,000.00 EUR
	Currency 1	EUR
	Currency 2	USD
	Forwards rate	Pre-agreed, for example, 1.1300
	Maturity date	Pre- agreed, for example, in 6 months
Intended retail investor	This product is intended for retail investors who <ul style="list-style-type: none"> are interested in capital growth, hedging, income and other investment objectives wish to hold an FX Forward for the agreed-upon term and do not want to sell it back prematurely and are in the position to bear losses that may be unlimited 	
Term	The length of an FX Forward will depend on how long you wish to have the right to exchange the currency. The term will be agreed on before you enter into an FX Forward. An FX Forward is a bilateral agreement that cannot be ordinarily terminated unilaterally by either you or Signet Bank. Risk of a loss goes up significantly with the term of a deal.	

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



The risk indicator assumes you keep the product until maturity. You may have to pay significant extra costs to cash in early. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

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. **Be aware of currency risk. You will receive payment in a different currency, so the final return you will get depends on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.** This rates the potential losses from future performance at a very high level, and poor market conditions are very unlikely to impact the capacity of Signet Bank to pay you.

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 lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

Performance scenarios

Investment 15 000 EUR

Scenarios		6 months
Stress scenario	What you might get back after costs	EUR 10500
	Average return each year	-30%
Unfavourable	What you might get back after costs	EUR 12000
	Average return each year	-10%
Moderate scenario	Average return each year	EUR 13500
	Average return each year	-10%
Favourable	What you might get back after costs	EUR 15300
	Average return each year	2%

This table shows the money you could get back over the next 6 months, under different scenarios, assuming that you invest EUR 15,000.00. 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/product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before maturity. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Signet Bank is unable to pay out?

When buying the product you assume a credit risk on the issuer. In the event of the issuers bankruptcy, the holder of the product will have an unsecured claim versus the bank. Note that the product is not covered by any deposit guarantee scheme.

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. They include potential early exit penalties. The figures assume you invest EUR 10,000.00. 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.

Investment 15 000 EUR	End of recommended holding period
Total costs	EUR 50
Impact on return (RIY) per year	0.67%

Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- What the different cost categories mean.

This table shows the impact on return per year

One-off costs	Entry costs	0.67%	The impact of the costs you pay when entering your investment
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	None		
Incidental costs	None		

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

This product is designed to be held until its maturity date and is not a product, which can be easily sold or transferred. Early termination may occur in the event of a default or disruption situation or if you or Signet Bank agree for it to be terminated early, in which case, early exit penalties may apply.

How can I complain?

Complaints about the product, the conduct of Signet Bank and/or the person advising on, or selling the product, should be addressed to Signet Bank, Antonijas street 3, Riga, Latvia, LV-1010 or info@signetbank.com.

Other relevant information

The risks set out in this document highlight some, but not all, of the risks of investing in this product. Prior to making any investment decision, you should satisfy yourself that you fully understand the risks relating to this product and seek professional advice as necessary.

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.