

AS "Citadele banka"

key information document



Purpose

This document provides basic information about this product. These are not marketing materials. The provision of this information is required by law; it helps to understand the nature, risks, costs, potential benefits and harms of this product and to compare it with other products.

Product

Product Name:	FX Forward	ISIN:	234764063797
Manufacturer Name:	AS "Citadele banka"	Website:	www.citadele.lv
Call:	+371 67010555	Regulated by:	The Financial and Capital Market Commission of the Republic of Latvia

Produced: 27/09/2021

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

What is this product?

Type

This product is an over the counter derivative (OTC Derivative) linked to FX Market.

Objectives

The aim is to obtain a hedging instrument against fluctuations in exchange rates in the future.

The client locks in a guaranteed Forward rate of 1.1799 EUR/USD to buy EUR in 3 months.

The client has the obligation to buy EUR 10,000.00 at the Forward rate of 1.1799 EUR/USD, thus selling the exchange amount of USD 11,799.00.

It is preferable to keep the product until its maturity date. The transaction is a bilateral agreement and cannot be easily terminated, neither by you nor AS "Citadele banka". However, the service agreement provides for certain cases when a transaction may be terminated before the maturity date by concluding the opposite transaction. The costs of concluding the opposite transaction depend on the market conditions and liquidity in the market and are not foreseeable in advance. You may incur significant additional costs and/or losses if the product is terminated before its maturity date.

Maturity	3 months
Client buys	EUR
Notional (Price Currency)	USD 11,799.00
Notional (Base Currency)	EUR 10,000.00
Forward Rate	1.1799 EUR/USD

Intended investor

This product is aimed at all investors including retail clients, who are interested in hedging and who are prepared to stay invested until maturity. This is a product for sophisticated investors. Sophisticated investors have good knowledge of relevant financial products and transactions, and/or financial industry experience. The investor is able and willing to bear losses beyond the investment amount and puts no emphasis on capital protection.

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



Lower risk

Higher risk



The risk indicator assumes you keep the product until the 27/12/2021. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

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. This rates the potential losses from future performance at a very high level, and poor market conditions are unlikely to impact the capacity of AS "Citadele banka" to pay you. Be aware of currency risk. You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above. In some circumstances, you may be required to make further payments to pay for losses. The total loss you may incur may be significant. This product does not include any protection from future market performance so you could incur significant losses. If AS "Citadele banka" is not able to pay you what is owed, you could lose all investment.

Performance scenarios

Nominal Amount of EUR 10,000.00		3 months (Recommended Holding Period)
Scenarios		
Stress scenario	What you might get back or pay after costs	-1,530.30 EUR
	Average return (^)	-15.30 %
Unfavourable scenario	What you might get back or pay after costs	-483.32 EUR
	Average return (^)	-4.83 %
Moderate scenario	What you might get back or pay after costs	-47.12 EUR
	Average return (^)	-0.47 %
Favourable scenario	What you might get back or pay after costs	379.79 EUR
	Average return (^)	3.80 %

(^) The average return is a percentage of the Nominal Amount.

This table shows the money you could get back or pay over the next 3 months, under different scenarios, assuming a nominal value of EUR 10,000.00.

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, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

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 ended. This means it is difficult to estimate how much you would get back if you end before the recommended holding period.

What happens if AS "Citadele banka" is unable to pay out?

You are exposed to the risk that we may not be able to meet our obligations with respect to these products, such as in the event of insolvency or an administrative order (including resolution). If we will not be able to meet our obligations, you may not receive any compensation from us for the product. *Deposits held with us are covered* (up to 100,000.00 EUR) by the deposit guarantee scheme in accordance with the provisions the Deposit Guarantee Law of Latvia. The information on the deposit guarantee scheme is available in branches of AS "Citadele banka" and on the website www.citadele.lv under the section Client interest protection.

What are the costs?

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 the Recommended Holding Period. They include potential early exit penalties. The figures assume a nominal value of EUR 10,000.00. The figures are estimates and may change in the future.

Costs over time

The person selling you 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.

Notional Amount EUR 10,000.00	If you end at the recommended holding period
Total Costs	50.00 EUR
Impact on return (RIY)	0.5037 %

Composition of costs

The table below shows:

The impact each year of the different types of costs on the performance of the product at the end of the Recommended Holding Period.

What the different cost categories mean.

This table shows the impact on the return			
One-off costs	Entry costs	0.5037 %	The impact of the costs already included in the price of product. This is the most you will pay, and you could pay less.
	Exit costs	0.00%	The impact of the costs of exiting your product when it matures.
Ongoing costs	Portfolio transaction costs	0.00%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	0.00%	The impact of the costs that we take each year for managing your product.
Incidental costs	Performance fees	0.00%	Not applicable
	Carried interests	0.00%	Not applicable

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

Recommended Holding Period: 3 months

This product is designed for staying invested for 3 months

This product cannot easily be ended. This means it is difficult to estimate how much you would get back if you end before the recommended holding period. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

How can I complain?

Applications and complaints related to transactions must be submitted in writing. AS "Citadele banka" in the bank's branch or in the Internet bank or by post

In Latvia: sending to AS "Citadele banka", address Republikas laukums 2A, Rīga, LV-1010

In Lithuania: sending to AS "Citadele banka" Lithuanian branch, address Upės g. 21, LT-08128 Vilnius

Other relevant information

Other important information regarding the product, can be found on the website www.citadele.lv or by calling +371 67010555 (Latvia) or +370 61008823 (Lithuania).