

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

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| PRIIP product name | OTC – FX Swap |
| 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?

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| Type | An Over the Counter Derivative (OTC) contract – Foreign Exchange Swap Instrument |
| Objectives | <ul style="list-style-type: none">• The objective of this product is to perform two currency exchanges in opposite directions on two agreed dates (start date and maturity date). In the currency exchanges agreed amounts of one currency are exchanged for another currency at agreed exchange rates. 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 Swap under which (1) you agree to pay Signet Bank an agreed amount in one currency (Ccy1) and Signet Bank agrees to pay you an agreed amount in another currency (Ccy2) on the start date and (2) Signet Bank agrees to pay you the agreed amount in Ccy1 and you agree to pay to Signet Bank the agreed amount in Ccy2 on the maturity date.• Payments under an FX Swap consist of the agreed amounts in the two currencies (Ccy1 and Ccy2) which are based on the agreed exchange rate and forward points.• The forward points are based on the difference in interest rates in both currencies for the maturity date of the product.• The market value of the FX Swap 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 Swap will be set out in the confirmation for the product. The FX Swap 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 agreement between you and Signet Bank provides that if certain exceptional events occur (1) Signet Bank may make adjustments to certain products and/or (2) Signet Bank or you may terminate the product early. These events are specified in more detail in the agreement between you and 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.

- You may not be able to terminate this product even though you or Signet Bank have terminated or discontinued a product or a commercial flow that this product is aimed to hedge.
- Illustrative terms are set out below, which are illustrative of the terms of an FX Swap, 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 |
| Spot rate | Pre-agreed, for example, 1.1300 |
| Forwards rate | Pre-agreed, for example, 1.1333 |
| Start date | Pre-agreed, for example, 2 business days from the trade date |
| Maturity date | Pre- agreed, for example, in 6 months |

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| Intended retail investor | <p>This product is intended for retail investors who</p> <ul style="list-style-type: none"> • are interested in hedging and income • wish to hold an FX Swap 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 | <p>The length of an FX Swap 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 Swap. An FX Swap is a bilateral agreement that cannot be ordinarily terminated unilaterally by either you or Signet Bank.</p> |

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



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 | -20% |
| 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.