

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, costs, risks and potential gains and losses of this product and to help you compare it with other products.

Product

Name of Product:

FX Swap (Buy USD / Sell EUR)

Manufacturer:

Luminor Bank AS

<https://luminor.ee/contact-us>

Call +372 628 3300 for more information

Luminor Bank AS is under the supervision of the Estonian Financial Supervision and Resolution Authority (further – [FSA](#)).

This Key Information Document was created on 2024-02-28.

You are about to enter into a product, which is not simple and may be difficult to understand.

What is this product?

Type.

This product is an OTC (“over-the-counter”) foreign exchange derivative contract.

Term.

The maturity date of the product will be agreed upon when entering into the contract.

Objectives.

The product is used to hedge currency risks. It is an individual contract between the client and the bank in which both parties agree to exchange amounts in two different currencies on a certain date in the future.

You sell the agreed currency amount (“Currency 1”) by buying another currency (“Currency 2”) at the current exchange rate (“Spot Rate”) at the beginning of the transaction.

At the end of the agreed term (“Maturity”), you are obligated to buy back the agreed currency amount (“Currency 1”) by selling another currency (“Currency 2”) at a fixed exchange rate (“Forward Rate”).

Your specific contract details (e.g. nominal amounts, currency, maturity) will be agreed upon on an individual basis. The example product parameters shown below are based on assumptions and/or regulatory requirements and serve as a basis for the illustrative performance scenarios and costs.

At beginning of the transaction

You sell Nominal Amount / Pay Currency 1	10,861.27 USD
You buy Nominal Amount / Receive Currency 2	10,000.00 EUR
Spot Rate:	1.0861

At Maturity

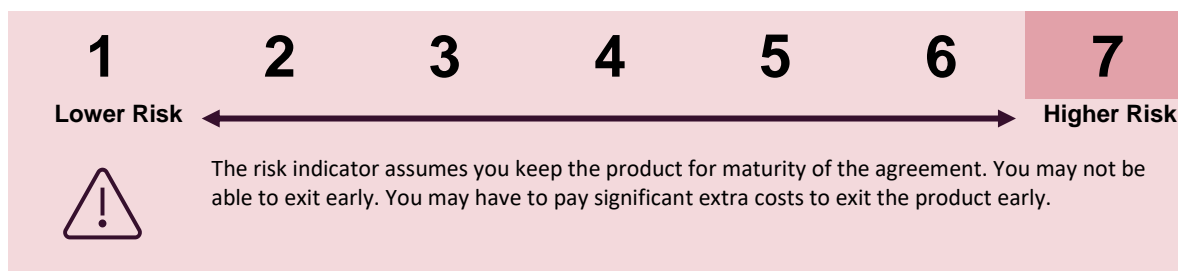
You buy Nominal Amount / Receive Currency 1	10,795.63 USD
You sell Nominal Amount / Pay Currency 2	10,000.00 EUR
Forward Rate:	1.0796
Maturity:	3 months

Intended Retail Investor.

The product is meant for retail clients, who intend to keep the product for the entire agreed term, can bear any loss incurred as a result of market movements during the length of the agreed term, have sufficient knowledge and/or experience with this or a similar product, and want to use the product for hedging purposes.

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

We classify all over the counter derivatives as the highest risk class.

This rates the potential losses from future performance at a very high level. Probability that poor market conditions will affect Luminor's capacity to pay you is low.

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 significantly exceed the amount invested.**

This product does not include any protection from future market performance so you could lose some or all of your investment.

If Luminor is not able to pay you what is owed, you could lose your entire investment.

However, you may benefit from a consumer protection scheme (see the section 'what happens if we are unable to pay you'). The indicator shown above does not consider this protection.

Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

Recommended holding period: 3 months
Example nominal amount: 10,000.00 EUR

Scenarios:	If you exit after 3 months	
Minimum	There is no minimum guaranteed return. You may have to make significant payments to cover losses.	
Stress	What you might get back after costs	-1,549.02 EUR
	Return as a percentage	-15.49 %
Unfavourable	What you might get back after costs	-479.23 EUR
	Return as a percentage	-4.79 %
Moderate	What you might get back after costs	-33.08 EUR
	Return as a percentage	-0.33 %
Favourable	What you might get back after costs	445.31 EUR
	Return as a percentage	4.45 %

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back. The stress scenario shows what you might get back in extreme market circumstances. The scenarios represent possible

outcomes, which have been calculated based on simulations using the reference asset's past performance over up to five past years.

What happens if Luminor Bank AS is unable to pay you?

You are exposed to the risk that Luminor or its affiliates may not be able to fulfil its obligations arising from this product in the event of insolvency or an official order ("bail-in-regime"). Luminor customer investments are protected as per the terms and conditions of Estonian Guarantee Fund in the amount of up to 20,000.00 EUR per investor. More information is available at <https://www.luminor.lt/en/private/deposit-and-investment-insurance> and <https://www.tf.ee/eng/protection-of-investors/>

What are the costs?

Costs over time

The tables below show the amounts that are taken to cover different costs. These amounts depend on the nominal amount, hold long you hold the product, and market performance. The amounts shown here are illustrations based on an example nominal amount.

Assumptions:

- Investment amount of 10,000.00 EUR;
- You achieve a net performance of 0.00%.

	If you exit after 3 months
Total costs	100.00 EUR
Annual cost impact (*)	1.00 %

(*) This illustrates how costs reduce your return each year over the holding period. This illustrates costs in relation to the nominal amount of the PRIIP.

Composition of costs

One-off costs upon entry or exit		If you exit after 3 months
Entry costs	1.00 % of the nominal amount. The impact of cost is already included in the price.	100.00 EUR
Exit costs	No exit cost is charged for this product.	0.00 EUR

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

Recommended holding period: 3 months

For the product to realize its purpose, it should be held until the end of the recommended holding period. The recommended holding period corresponds to the agreed term. The product is concluded for the agreed term. However, the possibility of an early termination can be agreed. An early termination may lead to significant extra costs. In this case, you will receive or pay a liquidation price based on the market value of the product and the costs and, if applicable, an additional margin.

How can I complain?

Complaints about the product or the sales/advisory process can be submitted to Luminor Bank AS at Liivalaia 45, 10145 Tallinn or via email to info@luminor.ee.

Other relevant information

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. Additional product information is available on request.

You can download the latest version of this document from the website of Luminor Bank AS (www.luminor.ee).