

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	
Product name:	FX Swap – EUR/USD
Product Manufacturer:	DenizBank AG, Thomas-Klestil-Platz 1, 1030 Wien, www.denizbank.at
Counterparty:	DenizBank AG
Competent regulatory authority:	Austrian Financial Market Authority (FMA)
Date of KID:	05.06.2020

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

1. What is the product?

Type:

The Product is a Foreign Exchange Swap (FX Swap) derivatives contract.

Objectives:

An FX swap agreement is a contract in which one party borrows one currency from, and simultaneously lends another to, the second party. Each party uses the repayment obligation to its counterparty as collateral and the amount of repayment is fixed at the FX forward rate as of the start of the contract. Thus, FX swaps can be viewed as FX risk-free collateralised borrowing/lending.

The example below describes the fund flows involved in a euro/US dollar swap. At the start of the contract, A borrows X·S USD from, and lends X EUR to, B, where S is the FX spot rate. When the contract expires, A returns X·F USD to B, and B returns X EUR to A, where F is the FX forward rate as of the start.

The risks involved in FX swaps are similar to those characteristic of the forward contract. Credit risk – If one of the counterparties defaults on its obligations, the other party has to sign a new contract, thereby increasing its exposure to market interest rate fluctuations Exchange rate risk - By fixing the exchange rates, at which the currency will be bought, the party forgoes the opportunity of profiting from a favorable exchange rate movement. Additionally, unfavorable exchange rate movements may take away further profit opportunity for the party (in the face of opportunity cost). Interest rate risk – Since the price of the forward contract is dependent on the differential between the interest rates that can be earned with eh two different currencies, variations in those interest rates can change the price of a forward contract, and thus also change the terms of a swap. The change can be favorable, as well as unfavorable to each party.

Intended retail Investor:

The product is intended to be offered to retail investors who:

1. want to secure a specific FX rate on a specified date;
2. are able to bear a loss if the FX rate prevailing on the settlement date is below the agreed forward rate;
3. are purchasing the product on an advised basis and/or have knowledge and experience with the product; and
4. have an investment horizon of 1 week.

Term:

The Final Redemption Date of the Product is 1 week (Maturity). The term of the Product is 1 week. The Product provides that if certain extraordinary events occur, you and/or the Counterparty may terminate the Product early. Under certain circumstances, the Product will be terminated automatically. The amount you receive on such extraordinary early termination will be different and may be less than the amount you invested.

2. What are the risks and what can I get in return?

A) Summary Risk Indicator

← Lower Risk

Higher Risk →

1	2	3	4	5	6	7
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! The risk indicator assumes you keep the product for 1 week. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may have to pay significant extra costs to cash in early. You may not be able to sell [end] your product easily or you may have to sell [end] 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. This rates the potential losses from future performance at a very high level, and poor market conditions are very likely to impact the capacity of DenizBank AG 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. This product does not include any protection from future market performance so you could lose some or all of your investment.

B) Performance Scenarios

Investment EUR 10.000,00 Scenarios/ Holding Period		1 week (recommended holding period)
Stress scenario	What you might get back after costs	-500,20EUR
	Average return each year	5,00%
Moderate scenario	What you might get back after costs	-2,60EUR
	Average return each year	-0,03%
Unfavourable scenario	What you might get back after costs	-137,83 EUR
	Average return each year	-1,38%
Favourable scenario	What you might get back after costs	134,06EUR
	Average return each year	1,34%

This table shows the money you could get back over the next 1 years, under different scenarios, assuming that you invest €10.000. 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 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 the end of the recommended holding period. 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 but may include all the costs that you pay to your distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

3. What happens if DenizBank is unable to pay you?

If DenizBank AG becomes insolvent, investors should in the worst case be prepared to suffer a total loss of their investment. The product is not covered by an investor protection or guarantee scheme. This means that if we become insolvent, you may suffer a total loss of your investment.

4. What are the costs?

A) Costs over time

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, for three different holding periods. They include potential early exit penalties. The figures assume you invest €10 000. The figures are estimates and may change in the future.

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.

Investment EUR 10.000,- Scenarios	If you cash in after 1 week
Total Costs	50 EUR
Impact on return (RIY) per year	0,5%

B) 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 and what the different cost categories mean. The costs shown relate to the moderate scenario set out in the performance scenarios.

This table shows the impact on return per year			
One-off costs	Entry costs	% 0,5 p.a.	The impact of the costs you pay when entering your investment and the costs already included in the price. This is the most you will pay and you could pay less
	Exit costs	% 0 p.a.	The impact of the costs of your investment when it matures

5. How long should I hold the investment and can I take money out early?

Recommended holding period:

The recommended holding period corresponds to the **settlement date**. This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back or be required to pay if you cash in before the recommended holding period. 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.

6. How can I complain?

If you have complaints about the Product, the conduct of the Product Manufacturer and/or a person selling the product, please address them in writing to DenizBank AG, Feedback Management, Thomas-Klestil-Platz 1, 1030 Vienna or send an e-mail to feedback@denizbank.at. For further information on complaints, please visit our website www.denizbank.at/en/customerservice/feedbackmanagement/.

7. Other relevant information

This key information document does not contain all information relating to this product. For the legally binding terms and conditions of the Product, please refer to the underlying master agreement ("Derivative Transactions Framework Agreement) and confirmation entered into between you and DenizBank AG. The information contained in this key information document does not constitute a recommendation to buy or to sell the product and is no substitute for any individual consultation with the investor's external advisor.