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
Purchase of a Commodity Call Option

Manufacturer: UniCredit Bulbank AD – www.unicreditbulbank.bg

Call +359 2 9320 122 for more information.

Competent Authority: Financial Supervision Commission

Production date of the KID: 04/12/2019

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

1. What is this product?
Type
An Over the Counter (OTC) derivative contract – Purchase of a Commodity Call Option

Objectives
Commodity Call Options are used for managing commodity price risks.

A Commodity Call Option is an agreement between two contracting parties (client/UniCredit Bulbank AD) where you, as the buyer of the Commodity Call Option, have the right but not the obligation to buy the underlying commodity for a specific notional quantity at an agreed strike price on pre-determined future dates (fixing dates) during the contractually agreed term. If the floating price of the underlying commodity exceeds the agreed strike price on a fixing date, you will receive a compensation payment for the respective calculation period. The amount of such a compensation payment is calculated as difference between the floating price and the strike price, based on the notional quantity for the respective calculation period. The floating price can be determined as the reference price on the fixing dates or calculated as average of the reference prices for the respective calculation period.

When purchasing the Commodity Call Option you pay an option premium which is not refundable. The amount of the option premium depends among other things on the term of the option, the level of the strike price and the volatility of the reference price.

The notional quantity of the Purchase of a Commodity Call Option serves merely to calculate the respective payments. There is no physical delivery of the commodity underlying.

You can enter into this product also in a foreign currency.

Sample product terms are set out below and are based on legally predefined or realistic assumptions and may not match your specific contract details.

Underlying commodity	ULSD10ppm barges fob Rotterdam
Term	1 Year
Calculation period	1 month
Total notional quantity	24 metric tons
Notional quantity per calculation period	2 metric tons
Strike price	USD 630.000 / metric ton
Floating price	average of reference price on a daily basis, monthly payments
Option premium	USD 1,058

Intended retail investor
This product is designed for retail investors who
(i) hold this product for the contractually agreed term,
(ii) understand that the option premium paid is not refundable and that they may receive nothing or less than the amount of the option premium and
(iii) have comprehensive knowledge of and/or past experience with OTC derivatives and the financial markets.

2. 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.

1	2	3	4	5	6	7

Lower Risk — Higher Risk

The risk indicator assumes you keep the product until maturity. You may not be able to end your product early.

Be aware of currency risk. You may pay and/or receive payments 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 product does not include any protection from future market performance so you could incur significant losses.

Performance Scenarios

Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.

Notional quantity 24 metric tons		
Scenarios		1 Year (Recommended holding period)
Stress scenario	What you might get back or pay after costs	USD -1,058
	Average return/loss each year	-7.53 %
Unfavourable scenario	What you might get back or pay after costs	USD -1,058
	Average return/loss each year	-7.53 %
Moderate scenario	What you might get back or pay after costs	USD -1,030
	Average return/loss each year	-7.34 %
Favourable scenario	What you might get back or pay after costs	USD 984
	Average return/loss each year	7.01 %

This table shows the money you could get back or pay over the next 1 Year, under different scenarios, assuming a notional quantity of 24 metric tons. The scenarios shown illustrate how your investment could perform. You can compare them with 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 or pay will vary depending on how the market performs and how long you keep the product.

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

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

3. What happens if UniCredit Bulbank AD is unable to pay out?

Counterparties of derivative transactions are exposed to the risk that UniCredit Bulbank AD becomes unable to discharge its obligations under the transaction, for example in the case of an insolvency (inability to pay or overindebtedness) or in the case resolution measures are taken by an authority against the credit institution. Such a decision to take resolution measures can, for example, be taken if the assets of the institution are less than its liabilities, where it is unable or will, in the near future, be unable to pay its debts or other liabilities as they fall due, or where it requires extraordinary public financial support. Where resolution measures are taken, the competent resolution authority can decide on an early termination of the derivative transaction. In the case such early termination results in a claim of the counterparty against the credit institution, the decision of the resolution authority can lead to a partial or complete reduction of the principal amount of this claim or in a conversion of this claim in to equity (shares or other types of equity).

If UniCredit Bulbank AD does not fulfil its obligations connected with the product or is unable to pay, you can lose part of or the full payout or can suffer an unlimited loss. This product is not protected by any deposit guarantee scheme, legal or otherwise, or any other type of guarantee.

4. 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. The figures assume a notional quantity of 24 metric tons. 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. The following table is based on the recommended holding period which is equal to the contractually agreed term.

Notional quantity 24 metric tons Scenarios	If you end after 1 year (Recommended holding period)
Total costs	USD 632
Impact on return (RIY) per year	4.50 %

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;
- the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	4.50 %	The impact of the costs already included in the price or the terms of your product. This is the most you will pay, and you could pay less. This includes the costs of distribution of your product.
	Exit costs	0%	No costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0%	Not applicable
	Other ongoing costs	0%	Not applicable
Incidental costs	Performance fees	0%	Not applicable
	Carried interests	0%	Not applicable

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

Recommended holding period: 1 Year

The recommended holding period is equal to the contractually agreed term. You are not entitled to terminate the product unilaterally before the end of the contractually agreed term. This does not apply in case you have contractually agreed with UniCredit Bulbank AD that one party or both parties have the right to prematurely terminate this product upon notice to the other party and subject to a compensation payment (contractual early termination clause).

6. How can I complain?

You can make complaints about the product, or about the behaviour of the issuer of the product or of the persons who sell the product, on the following website https://www.unicreditbulbank.bg/en/corporate-clients/financial-markets/financial-markets-and-services, in writing to UniCredit Bulbank AD, Corporate Treasury Sales, 7 Sveta Nedelya Sq., 1000 Sofia, Bulgaria or via e-mail to DerivativeSales@UniCreditGroup.BG.

7. Other relevant information

Additional product information is available on request. UniCredit Bulbank AD reviews this Key Information Document annually. The latest version of the document is available for you under https://www.unicreditbulbank.bg/en/corporate-clients/financial-markets/financial-markets-and-services.In case you need further information feel free to contact us.