

# 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

Interest Rate Swaption (Payer) bought

- Manufacturer: UniCredit Bank Austria AG – [www.bankaustria.at](http://www.bankaustria.at) (subgroup of UniCredit S.p.A. together with its consolidated holdings)
- Call +43 (0) 50505 82630 for more information.
- The Financial Market Authority (FMA), Austria, is responsible for supervising UniCredit Bank Austria AG in relation to this Key Information Document.
- Production date of the KID: 23/09/2024

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 – Interest Rate Swaption (Payer) bought

### TERM

The product has a fixed contractually agreed term and will terminate after 10 years.

### OBJECTIVES

Swaptions are used for managing interest rate risks.

A Payer Swaption is an agreement between two contracting parties (client/UniCredit Bank Austria AG), where you, as the buyer of the Payer Swaption have the right to either enter into an interest rate swap (payer) at agreed product terms (= swap settlement) or receive any positive market value of the underlying interest rate swap (payer) (= cash settlement). The type of the option settlement and the exercise date are contractually agreed.

When purchasing the Payer Swaption you pay an option premium upfront, which is not refundable. The amount of the option premium depends among other things on the term of the swaption, the volatility of the interest rate market and the terms of the underlying interest rate swap (payer).

An interest rate swap is an agreement between two contracting parties (client/UniCredit Bank Austria AG) to exchange interest payments, calculated on a notional amount during the contractually agreed term. The interest payments are exchanged at certain agreed dates. Terms of up to ten years are customary. The term of this agreement is divided into individual interest periods, which are determined by the period applicable to the reference rate.

In an interest rate swap (payer) you pay a fixed interest rate and receive a floating interest rate (reference rate, if applicable plus a spread) in the same currency. The fixed interest rate is determined when the contracting parties enter into the swap. The reference rate (e.g. EURIBOR) is reset two banking days before the start of a respective interest period. Any reference rate with applicable periods (e.g. 3 month EURIBOR) can be selected as base for the floating interest payments. In general the parties agree to offset the two interest payments, so that only the amount in excess at the end of each interest period is actually paid. If the floating interest rate and/or the fixed interest rate is negative, the direction of the respective interest payment changes.

The notional amount serves merely to calculate the respective interest payment. There is no amount payable/receivable equal to the notional amount.

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

Sample product terms are set out below and are based on legally predefined assumptions, which may not match your specific contract details, e.g. your notional amount, your term, etc.

Payer Swaption exercise date	in 3 years	Option premium	USD 671
Term of the underlying interest rate swap (payer)	7 years	Notional amount	USD 10,000
Client pays (fixed interest rate)	4.00% p.a. annual payments day-count convention Act/360	Client receives (floating interest rate)	USD SOFR annual payments day-count convention Act/360
Day-count convention	act/360 means: Interest days in the counter are based on the number of calendar days. The calendar year in the denominator is set for 360 days. 30/360 means: The calendar month consists of 30 interest days. The calendar year is set for 360 days.		

## INTENDED RETAIL INVESTOR

This product is designed for retail investors who

- (i) hold this product for the contractually agreed term,
- (ii) are in the position to bear losses that may be unlimited and
- (iii) have knowledge of and/or past experience with this financial instrument 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.



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.

In some circumstances you may be required to make 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 we are not able to pay you what is owed, you could incur significant losses.

### 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:		10 years		
Example notional amount:		USD 10,000		
Scenarios		If you end after 1 year	If you end after 5 years	If you end after 10 years
<b>Minimum scenario</b>	There is no minimum guaranteed return. You could lose some or all of your premium.			
<b>Stress scenario</b>	What you might get back or pay after costs	USD -318	USD -630	USD -671
	Average return/loss over notional amount each year	-3.2%	-1.3%	-0.7%
<b>Unfavourable scenario</b>	What you might get back or pay after costs	USD -232	USD -605	USD -671
	Average return/loss over notional amount each year	-2.3%	-1.2%	-0.7%
<b>Moderate scenario</b>	What you might get back or pay after costs	USD -145	USD -479	USD 2,826
	Average return/loss over notional amount each year	-1.5%	-1.0%	2.8%
<b>Favourable scenario</b>	What you might get back or pay after costs	USD 22	USD 348	USD 22,346
	Average return/loss over notional amount each year	0.2%	0.7%	22.3%

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 or pay.

The favourable, moderate, unfavourable and stress scenarios represent possible outcomes, which have been calculated based on simulations using the past performance of the reference rate over the past 5 years. The stress scenario shows what you might get back or pay in extreme market circumstances.

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 make a large loss if you do so.

## 3. WHAT HAPPENS IF UNICREDIT BANK AUSTRIA AG IS UNABLE TO PAY OUT?

Counterparties of derivative transactions are exposed to the risk that UniCredit Bank Austria AG 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 Bank Austria AG 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 person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

#### COSTS OVER TIME

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- The product performs as shown in the moderate scenario.
- A notional amount of USD 10,000

	If you end after 1 year	If you end after 5 years	If you end after 10 years
<b>Total costs</b>	USD 700	USD 630	USD 455
<b>Annual cost impact (*)</b>	7.0%	1.3%	0.5%

(\*) This illustrates how costs reduce your return in relation to the notional amount each year over the holding period. For example it shows that if you exit at the recommended holding period your average return per year is projected to be 3.3% before costs and 2.8% after costs.

#### COMPOSITION OF COSTS

One-off costs upon entry or exit	If you end after 1 year	
<b>Entry Costs</b>	These costs are already included in the price you pay.	Up to USD 455
<b>Exit costs</b>	These costs only apply if you exit before maturity (end of the agreed term).	USD 245

#### 5. HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

##### Recommended holding period: 10 years

The recommended holding period corresponds to the contractually agreed term. You are not entitled to unilaterally terminate the product prematurely. However, the right of early termination may be agreed for one or both contracting parties. In the event of an agreed early termination, you will either receive or pay a compensation payment, which is made up of the market value of the product and the termination costs, including a margin earned by the bank. Significant additional costs may be incurred.

#### 6. HOW CAN I COMPLAIN?

You can make complaints about the product, the conduct of the manufacturer of the product or any persons advising on or selling the product either in writing to UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna, or sent by e-mail to [ombudsstelle@unicreditgroup.at](mailto:ombudsstelle@unicreditgroup.at) or filed on the website <http://www.bankaustria.at/ueber-uns-nachhaltigkeit-kunden-ombudsstelle.jsp>.

#### 7. OTHER RELEVANT INFORMATION

Additional product information is available on request. The latest version of the document is available for you under [bib-otc.bankaustria.at](http://bib-otc.bankaustria.at). In case you need further information or looking for customer advice, feel free to contact us.

General information regarding financial instruments can be found in the brochure "Information on Investment. Factors to consider when making an investment - an overview of risks and opportunities", which you can request free of charge at UniCredit Bank Austria AG, Rothschildplatz 1, 1020 Vienna.