



# 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

### Cap Interest Rate Option — Customer purchase

<b>Product Name</b>	Cap Interest Rate Option — Customer purchase ("Product")	
<b>ISIN code</b>	<i>[if applicable]</i>	
<b>Name of the Product owner</b>	BNP Paribas Bank Polska S.A. (the "Bank", „we")	
<b>Website of the Product creator</b>	www.bnpparibas.pl	
<b>Contact to the Product creator</b>	Call +48 22 563 88 60 for more information	
<b>The supervisory authority responsible for supervising the Bank in relation to this Key Information Document</b>	Polish Financial Supervision Authority	
<b>Date of drawing up/last update of the Key Information Document</b>	13-10-2023	

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

## WHAT IS THIS PRODUCT?

### ► TYPE

An over-the-counter (OTC) derivative instrument which is a financial instrument within the meaning of Article 2 of the Act of 29 July 2005 on trading in financial instruments.

### ► TERM

The recommended holding period for the Product is five years.

### ► OBJECTIVES

The purpose of the Product is to manage the risk of adverse interest rate fluctuations. Through the conclusion of an Interest Rate Cap Option (Cap Option), you acquire the right to claim, and - should you exercise the right - we undertake to transfer to you on each Settlement Date the interest charged in a given Interest Period on the Notional Amount at the Reference Rate (determined taking into account the Lookback Period - provided that this rate is the Compounded RFR Rate) designated for that Interest Period, in exchange for the interest charged in that Interest Period on the Notional Amount at the Strike Rate. In exchange for acquiring the right mentioned above, you pay us the Premium on Premium Payment Date. We may agree on one or more Interest Rate Periods.

The Cap Option will be settled in the Transaction Currency only by the difference between the Reference Rate and the Strike Rate, multiplied by the Notional Amount and the length of the interest period expressed in years (in the applicable interest accrual convention for the Transaction Currency), so that, if the Reference Rate established for the relevant Interest Period is higher than the Strike Rate, we will pay

you, on the Settlement Date, the Settlement Amount, being the Notional Amount multiplied by the difference between the Reference Rate and the Strike Rate and the length of the interest period expressed in years (in the applicable interest accrual convention for the Transaction Currency). Should the Reference Rate be lower than or equal to the Strike Rate, we are under no obligation to make any payments towards the settlement of that Transaction.

Return on the Product depends, among others, on the MtM Dependency Factors (indicated below). The Product continues until the Termination Date. Early termination of the Product is only possible under the circumstances specified in the section "How long should I hold it and can I take money out early?".

### Product risks

Need to pay the non-refundable Premium on Premium Payment Date. The Premium includes the Product cost (margin).

### Examples of main features of the Product (Transaction Terms and Conditions)

<b>Option type</b>	Cap Option
<b>Notional Amount</b>	1 000 000,00 PLN
<b>Transaction Currency</b>	PLN
<b>Exercise Rate</b>	5,03%
<b>Reference Rate</b>	Compounded RFR Rate based on WIRON (with 5 Business Days Observation Period Shift)
<b>Interest Period</b>	1M

<b>Premium</b>	107 890,00 PLN
<b>Premium Payment Date</b>	Up 2 Business Days from the Transaction Conclusion Date
<b>Exercise Date</b>	2 Business Days before the Settlement Date
<b>Settlement Date</b>	Interest Period End Date
<b>Effective Date</b>	13-10-2023
<b>Termination Date</b>	17-10-2028

Underlying Need	Risk to be hedged	MtM Dependency Factors
A credit where you pay a floating interest rate + credit margin	Possible increase in a floating interest rate	Short-term and long-term interest rates and their volatility

### ► INTENDED RETAIL INVESTOR

This Product is dedicated exclusively to the Customer who:

- Pays a floating interest rate + credit margin within the credit.
- Has the financial capacity to purchase the Product and incur potential losses resulting from the market situation development scenario other than expected.
- Needs protection until the Termination Date against a possible increase in the floating interest rate (as part of the credit received).


- Has expertise and experience to understand how the Product works and assess benefits and risks accompanying the Product.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### RISK INDICATOR

1 2 3 4 5 6 7

← Lower risk Higher risk



The risk indicator assumes you keep the Product until the Termination Date. The actual risk can vary significantly if you end your Product early and you may get back less. You may not be able to end your Product early. **You may have to pay significant extra costs to end your Product early.**

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 our capacity to pay you.

- The Product does not include any protection from future market performance so you could lose some or all of your investment.
- Up to the Termination Date, the market value Product (Mark-to-Market or MtM) is variable and may turn out to be negative. MtM of the Product depends, among others, on MtM Dependency Factors and on Product features. Additional risks related to the Product functioning are listed in the section "What is this Product?"
- If the Underlying Need changes, then this Product may be amended upon your request, under certain conditions.
- If we are not able to pay you what is owed, you could lose your entire investment.

### 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:		5 years	
Example investment:		50 000 PLN	
Scenariusz		If you end the Product after 1 year	If you end the Product after 5 years
<b>Minimum</b>	<b>There is no minimum guaranteed return if you exit before 5 years. You could lose some or all of your investment</b>		
<b>Stress</b>	<b>What you might get back after costs</b>	-5 100,00 PLN	-5 370,00 PLN
	Average return each year	- 10,20%	- 2,25%
<b>Unfavourable</b>	<b>What you might get back after costs</b>	-5 050,00 PLN	-5 300,00 PLN
	Average return each year	- 10,10%	- 2,22%
<b>Moderate</b>	<b>What you might get back after costs</b>	-4 010,00 PLN	-4 450,00 PLN
	Average return each year	- 8,02%	- 1,85%
<b>Favourable</b>	<b>What you might get back after costs</b>	-1 950,00 PLN	- 990,00 PLN
	Average return each year	- 3,90%	- 0,40%

- The potential return is calculated as a percentage over the notional amount. The formula for the calculation shall be the following:  $((\text{Notional Amount} + \text{Net profit or loss}) / \text{Notional Amount})^{(1/T)} - 1$ , where T is the length of the holding period in years.
- The figures shown include all 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 Product cannot be easily ended. If you end the Product earlier than the recommended holding period you may have to pay extra costs.
- Buying this product holds that you think the underlying price will decrease.
- Your maximum loss would be that you will lose all your investment.
- This table shows the money you could get back or pay in the period between the Transaction Date and the Termination Date under different scenarios, provided that the nominal amount (Notional Amount) equals 50,000 PLN.

## WHAT HAPPENS IF BANK IS UNABLE TO PAY OUT?

In the case when we lose the ability to perform our obligations, legal provisions concerning restructuring and ordered liquidation with respect to credit institutions and investment firms shall apply. Due to our default, you may incur a loss. The Product is not subject to the protection by the Bank Guarantee Fund or any other investor-compensation scheme or guarantee to investors.

## WHAT ARE THE COSTS?

### 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. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the Product performs as shown in the moderate scenario.
- 50 000 PLN is invested.

	If you end the Product after 1 year	If you end the Product after 5 years
<b>Total costs</b>	3 750,00 PLN	3 750,00 PLN
<b>Annual cost impact <sup>^</sup></b>	7,50%	1,50%

<sup>^</sup> This illustrates how costs reduce your return each year over the holding period (using compound interest). For example it shows that if you exit at the recommended holding period your average return per year is projected to be - 0,28 % before costs and - 1,85 % after costs.

## ► COMPOSITION OF COSTS

One-off costs upon entry or exit		If you end the Product after 1 year
<b>Entry costs</b>	These costs are already included in the price you pay	3 750,00 PLN
<b>Exit costs</b>	Exit costs are incurred in the event of early termination of the Product. They are calculated on the same basis as entry costs. The sum of the entry and exit costs actually charged may not exceed the maximum margin.	0 PLN
Ongoing costs [taken each year]		
<b>Management fees and other administrative or operating costs</b>	0,0 % of the value of your investment per year <sup>]</sup> . This is an estimate based on actual costs over the last year.	0 PLN
<b>Transaction costs</b>	0,0 % of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.	0 PLN
Incidental costs taken under specific conditions		
<b>Performance fees and carried interest</b>	There is no performance fee for this Product.	0 PLN

- This illustrates costs in relation to the notional value of the PRIIP.

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

### RECOMMENDED HOLDING PERIOD: 5 YEARS

As it is necessary to protect against Risk to be hedged between the Transaction Conclusion Date and the Termination Date, the Product should be maintained until the Termination Date. Termination of the Product prior to the Termination Date is only possible in the event of circumstances specified in the Master Agreement concluded with us or by mutual agreement. Termination of the Product before the Termination Date may entail additional costs.

## HOW CAN I COMPLAIN?

All complaints about the Product, Product manufacturer or the person selling the Product may be filed:

- electronically - via electronic banking systems or using a complaint form at the Bank's website: [www.bnpparibas.pl](http://www.bnpparibas.pl)
- by phone on: +48 500 990 500 – for domestic calls, +48 22 134 00 00 – for domestic and foreign calls (the operator's rates apply)
- in writing to the following address: BNP Paribas Bank Polska S.A., Biuro Dialogu z Klientem, ul. Oświęcimska 9, 41-707 Ruda Śląska
- in person - in a branch of your choosing. A complaint may be filed verbally or in writing.

General rules for the submission and handling of complaints concerning the Product, the Product manufacturer or the person selling the Product and the appeal against the complaint outcome can be found at: [www.bnpparibas.pl/repozytorium/reklamacje](http://www.bnpparibas.pl/repozytorium/reklamacje).

## OTHER RELEVANT INFORMATION

We will make the Product available to you after conclusion of a Master Agreement (governed by the Polish or foreign law) specifying the rules for concluding and performing obligations related to the Product. In connection with the conclusion of the Master Agreement, under the provisions of the law, we will provide you with other documents regarding the Product.

For more information, you should refer to: "Information Package for the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A." along with the attached "Policy on the Execution of Orders of the Customer of the Global Markets Line of BNP Paribas Bank Polska S.A.", "Regulations on Foreign Currency and Derivative Transactions" and "Description of Risk related to Financial Market Instruments", available free of charge on the website: [www.bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2](http://www.bnpparibas.pl/dyrektywa-mifid/dyrektywa-mifid2).