

# 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 Deliverable FX Call Option on the EURUSD foreign exchange rate - buyer of EUR, seller of USD (European exercise) (**Unique Product Identifier: SMBC BRU FX Option European**)

The product manufacturer is Sumitomo Mitsui Banking Corporation - Brussels Branch ("**Manufacturer**"), <https://www.smbcgroup.com>. Call +32 2 551 50 00 for more information. Competent authority responsible for the supervision of the Manufacturer in relation to this document: Financial Services and Markets Authority (FSMA), Belgium.

This document was produced on 02/01/2020, 13:33:38 (Central European Time).

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

## What is this product?

### Type

The product is an "over the counter" (OTC) derivative contract on a foreign exchange rate. Governing law: Belgium.

### Objectives

The objective of the product is to hedge your exposure to the relevant currency based on other payment obligations you may have in that currency. You may also seek to obtain a return on the product depending on your view of the future exchange rate between the relevant currencies. The product achieves these objectives through exposure to the underlying foreign exchange rate: you pay a premium for the right to exchange with the Manufacturer, on a date in the future, currency amounts at a fixed exchange rate.

### Exercise:

You may exercise the product by giving valid notice on the Valuation Date. If you do not exercise the product, it will expire worthless on the Expiration Date. It is beneficial to exercise the product where the Strike Price is advantageous relative to the rate at which you could exchange the relevant currencies in the market. (i.e., the Strike Price is less than the prevailing foreign exchange rate on such day).

### Settlement:

You have the right, on the Settlement Date, to purchase the Notional Amount at the Strike Price (you receive from the Manufacturer the Notional Amount, and you pay the Manufacturer an amount equal to the Notional Amount converted to USD at the Strike Price).

**Premium\*:** In order to purchase this product, you will be required to pay EUR 20,000.00 on 02/01/2020. The Premium paid will not be returned to you.

### Key Terms

**Expiration Date:** the Valuation Date  
**Notional Amount\*:** EUR 1,000,000.00  
**Settlement Date\*:** 03/01/2021  
**Strike Price\*:** 1.19 USD per EUR 1.00  
**Trade Date\*:** 02/01/2020  
**Valuation Date\*:** 31/12/2020

\*Items marked with an asterisk are indicative terms only and may change. You should check the final value of such items prior to investing.

**Term:** The term of this product ends on the Settlement Date or, if it is not exercised, on the Expiration Date. However, the product may terminate early (i) in the event of a default by either you or the Manufacturer, or (ii) following the occurrence of certain extraordinary events (principally in relation to the product, the underlying, or the Manufacturer), provided that the Manufacturer may elect to adjust the terms instead to account for the relevant event. The amount paid to you on early termination may be less than the amount that would have been paid had the product continued to its full term.

## Intended retail investor

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

- have a very short-term investment horizon of 1 year or less;
- are able to bear losses equal to the Premium;
- have extensive knowledge of, and experience with, financial products and the financial markets generally;
- have the following investment needs and objectives: hedging; and
- are in the following country at the time the product is offered or otherwise made available to the investor: European Economic Area

**Basis for performance scenario and cost figures:** the figures below have been calculated over the recommended holding period. As this period is less than 1 year, any figures presented as percentages are not annualised and are therefore not directly comparable with those presented in other Key Information Documents with a different recommended holding period.

## What are the risks and what could I get in return?

### Risk Indicator



◀ Lower Risk

Higher Risk ▶



The risk indicator assumes you keep the product until 31/12/2020. You cannot cash in early.

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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 market 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 takes into account the market risk - that the potential losses from future performance are rated at a very high level.

**Be aware of currency risk. You will 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.**

Because the terms on which you may enter into or terminate an OTC derivative contract are negotiated individually, these may not at all times represent the best terms available to you from other sources.

This product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay you what is owed, you could lose your entire investment.

## 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.**

Investment EUR 10,000.00		11 months and 29 days (Recommended holding period)
Scenarios	What you might get back after costs	EUR 0.00
<b>Stress scenario</b>	Percentage return	-100.00 %
<b>Unfavourable scenario</b>	Percentage return	-100.00 %
<b>Moderate scenario</b>	Percentage return	-100.00 %
<b>Favourable scenario</b>	Percentage return	-100.00 %

This table shows the money you could get back over the next 11 months and 29 days, under different scenarios, assuming that you invest EUR 10,000.00.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products (please note the paragraph headed "Basis for performance scenario and cost figures" above).

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 cashed in. This means it is difficult to estimate how much you would get back if you cash in before maturity. 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. The figures do not take into account your personal tax situation, which may also affect how much you get back.

## What happens if Sumitomo Mitsui Banking Corporation - Brussels Branch is unable to pay out?

You are directly exposed to a default of the Manufacturer: if the Manufacturer fails or is otherwise unable to pay its obligations under the product, you may not receive any amount owed to you under this product and you may therefore lose some or all of your investment. Furthermore, any payment may be delayed. The product is not covered by an investor compensation or guarantee scheme.

## What are the costs?

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. They include potential early exit penalties. The figures assume you invest EUR 10,000.00. The figures are estimates and may change in the future.

### Costs over time

The person selling you or advising you about 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 10,000.00	
Scenarios	If you cash in at the end of the recommended holding period
<b>Total costs</b>	EUR 0.00
Impact on return (RIY)	0.00 %

## Composition of costs

The table below shows:

- the impact of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

**This table shows the impact on return**

<b>One-off costs</b>	Entry costs	n/a	The impact of the costs already included in the price.
	Exit costs	n/a	The impact of the costs of exiting your investment when it matures.
<b>Ongoing costs</b>	Portfolio transaction costs	n/a	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	n/a	The impact of the costs that we take each year for managing your investments.

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

Recommended holding period: 11 months and 29 days.

The recommended holding period is selected to correspond to the Settlement Date of the product. This is a product which cannot be sold or transferred. Early termination may occur in the event of a default of either you or Sumitomo Mitsui Banking Corporation - Brussels Branch.

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## How can I complain?

Any complaints about the product or the conduct of the Manufacturer or the person advising on, or selling, the product, may be submitted by visiting the website <https://www.smbcgroup.com>, by writing to Montoyerstraat 51 box 6, B-1000 Brussels, or by emailing [Compliance@be.smbcgroup.com](mailto:Compliance@be.smbcgroup.com).

## Other relevant information

You should refer to the master agreement and confirmation relating to the product which will be made available upon request to the Manufacturer.