



## KEY INFORMATION DOCUMENT FX FORWARD OUTRIGHT (NON DELIVERABLE)

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### 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, costs, risks and rewards of this product and to help you compare it with other products.

### PRODUCT

Name	FX Forward Outright (non-deliverable)
Manufacturer	<b>Bank of Cyprus Public Company Limited (hereafter: Bank of Cyprus, Bank, BOC )</b>
Contacting the manufacturer	<a href="http://www.bankofcyprus.com.cy">http://www.bankofcyprus.com.cy</a> Call +357 22 121725 for more information
Competent authority	Central Bank of Cyprus
KID Production Date	3 Jan 2018

### ALERT

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

### WHAT IS THIS PRODUCT?

#### TYPE

FX Forward Outright is a contract that allows an investor to speculate on the price movement of an underlying FX pair. By trading in FX Forward Outright non deliverable contract, the investor will not take delivery of the currency at any point during the duration of the trade. FX is always traded in currency pairs (e.g. EUR/USD) and involves the simultaneous buying and selling of two different currencies. The first listed currency of a currency pair is called the “Base” currency and the second currency the “Quote” currency. The profit and loss will accrue in the “quote currency”

## OBJECTIVES

The objective of trading FX Forward Outright (non-deliverable) contracts is to speculate on the price movement of a currency pair, using leverage, without taking delivery of the currency at any time. Your return depends on the size of the performance (or movement) of the underlying currency pair and the size of your position. For example, if you believe that EUR will increase in value in relation to the USD, you will buy EUR on FX Spot EUR/USD contract (also known as “going long”) with the intention of selling it later at a higher price. The difference between the price at which you buy and sell equates your profit minus any other costs (see details below). On the other hand if you believe that the EUR will weaken in value in relation to the USD, then you will sell EUR on FX Spot EURUSD contract (also known as “going short”) with the intention of buying it later at a lower price. The difference between the price at which you sell and buy equates your profit minus any other costs (see details below). However, in both circumstances, if the market moves in the opposite direction to the one you have predicted, you will suffer losses. This product is entered into for the purpose of speculation or hedging and is commonly traded on margin (leveraged trades). Margin refers to the use of a small amount of capital to support an investment of a larger exposure. Trading with leverage can magnify both the profits and losses you make in relation to the investment.

## INTENDED RETAIL INVESTOR

Trading in this product will not be appropriate for everyone. This product would commonly be used by persons who want to generally gain short term exposures to financial instruments/markets and is intended for clients who:

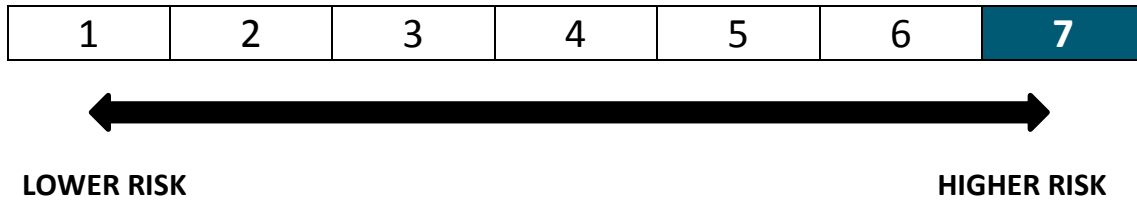
- have knowledge of or experience in complex financial instruments
- are trading with money which they can afford to lose the entire amount invested
- have a high risk tolerance consistent with the risk indicator in this document
- understand the impact of and risks associated with margin trading.

## TERM

An FX Forward Outright is an execution-only product and generally therefore has no recommended holding period. An FX Forward Outright has tradable tenors from 1 day to 12 months. FX Forward Outright contracts provided in the BOC eTrader platform do not settle. Instead, when the value date of an open FX Forward Outright position equals the current spot value date, it will be treated as a normal Rolling FX Spot position. From that point on, positions held at the end of a trading day are rolled forward to the next available business day

## 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. This rates the potential losses from future performance at a very high level. Be aware of currency risk. You may 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 further payments to pay for losses. Trading risks are magnified by leverage – the total loss you may incur may significantly exceed the amount invested. Values may fluctuate significantly in times of high volatility or market/economic uncertainty; such swings are even more significant if your positions are leveraged and may also adversely affect your position. As a result, margin calls may be made quickly or frequently. In the event of default, BOC shall seek to immediately terminate, cancel and close-out all or part of any outstanding positions and any shortfall will be borne by you. Trade only after you have acknowledged and accepted the risks. You should carefully consider whether trading in leveraged products is appropriate for you.

There are several types of risks associated with the FX Forward Outright contracts (e.g. Market Risk, Price Risk, Foreign Exchange Risk, Operational Risk, Regulatory and Legal Risk etc.) that are analysed in the Pre-Contractual Information Package that is provided to you by the Bank [\(click here\)](#).

### PERFORMANCE SCENARIOS

The scenarios shown below 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 and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment/product.

The table below shows the money you could get back under different scenarios, assuming that you buy EUR100,000 on EURUSD FX Forward Outright with duration one month at 1.1750 and your position is closed at the settlement date.

Leverage used is 20:1, i.e. 5% initial margin requirement = 5000 EUR (EUR 100, 000 x 5%).

Profit and loss accrues at \$10 for every 0.0001 movement in the underlying price. The position is closed on the same day.

Long Performance Scenario	Closing Price	Price Change	Profit/Loss in USD
Favorable	1,1985	2%	$(1.1985-1.1750) \times 100,000 = \$2,350$ PROFIT
Moderate	1,1633	-1%	$(1.1633-1.1750) \times 100,000 = -\$1,175$ LOSS
Unfavorable	1,1515	-2%	$(1.1515 -1.1750) \times 100,000 = -\$2,350$ LOSS
Stress	1,1163	-5%	$(1.1163 -1.1750) \times 100,000 = -\$5,875$ LOSS

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

Bank of Cyprus PCL is a fully accredited European Bank. It is regulated by the Central Bank of Cyprus. It is a fully owned subsidiary of Bank of Cyprus Holdings Public Limited Company, a company admitted to listing and trading on the London Stock Exchange (LSE) and the Cyprus Stock Exchange (CSE).

Where you have been categorised as a retail client, you may, under certain preconditions, be entitled to compensation from the Deposit Guarantee and Resolution of Credit and Other Institutions Scheme.

## WHAT ARE THE COSTS?

Before you begin to trade FX Forward Outright you should familiarise yourself with all commissions, fees, and other charges for which you will be liable. These charges will reduce any net profit or increase your losses. For more information please refer to the Cost & Charges document that is provided to you prior to the opening of the trading account.

Breakdown of possible costs associated with FX Forward Outright		
One-off costs	Spread	The difference between the bid (sell) price and the offer (buy) price. Spread is dependent on many different factors, including but not limited to, the underlying liquidity and volatility, time of day and notional trade size.
	Commission	The fee charged for the service of carrying out the transaction, subject to a minimum fee on small notional trade sizes.
	Profit/Loss Currency Conversion	The fee charged for converting realised profit/loss from the instrument currency to the account currency.

<b>Ongoing costs</b>	Tom/Next swap points (Forward Price)	The swap points used are calculated using the tom/next swap feeds from Tier-1 banks, plus/minus a mark-up.
	Financing of unrealised profit/loss (Financing Interest)	Any unrealised profit/loss that is rolled from one day to the next is subject to an interest credit or debit.

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

FX Forward Outright has **no recommended holding period**. Provided that BOC is open for trading you can enter and exit positions at any time.

## HOW CAN I COMPLAIN?

You should address any complaints about the services we provide to you in accordance with our complaints management policy. Information about our complaints management policy is available upon request.

The details of the process to be followed when handling a complaint and the contact details of our complaints management function are published on our Website

<http://www.bankofcyprus.com.cy/en-GB/Cyprus/MiFID/Complaints/>

## OTHER RELEVANT INFORMATION

For comprehensive terms surrounding this product that are not contained within the KID, please refer to the following documents provided to you:

- MiFID Pre-Contractual Information Package ([click here](#))
- Investment Services Agreement.

Information contained in this KID does not constitute a recommendation to engage in this product and is no substitute for individual consultation with an advisor.

You can obtain further information about this product from your advisor or relationship manager.