



KEY INFORMATION DOCUMENT

PURPOSE

This KID provides you with key investor information about an investment product described herein. It is not marketing material. The information is required by law to help you

- understand the nature, risks, costs and fees, potential gains and losses of this product and
- compare it with other products.

PRODUCT

Product name:	Additional Tier 1 (AT1) bonds or AT1 CoCos, the most common type of contingent convertibles (CoCos), also known as CoCo bonds
Manufacturer of PRIIP (Packaged Retail and Insurance-based Investment Product):	Baltic International Bank SE, unified business identifier No 40003127883, LEI 213800U3Y2TMRMMLNE90
Contact details:	www.bib.eu ; Address in Riga: Grēcinieku iela 6, Rīga, LV-1050; tel. (+371) 6700 0444
Competent authority:	The Financial and Capital Market Commission, the primary financial regulator in the Republic of Latvia
This KID is accurate as at:	22 June 2021

WARNING! You intend to purchase an investment product that is not categorised as a non-complex one and may therefore be difficult to understand.

WHAT IS THIS PRODUCT?

Type: Additional Tier 1 (AT1) bonds or AT1 CoCos, the most common type of contingent convertibles (CoCos), also known as CoCo Bonds.

Distinctive features of the product: AT1 CoCo is a coupon-paying debt security. A coupon rate is the amount of interest income paid by the security. Normally, coupon is paid out at a predetermined time or frequency. However, it is quite possible that the issuer decides not to pay (skip) coupon or to pay it partially (also in no-insolvency situations, i.e. without being insolvent).

AT1 CoCos are issued to replenish Bank's Additional Tier 1 (AT1) capital.

Bank's Tier 1 capital is considered to be the going concern capital. The going concern capital allows Bank to continue its activities and keeps it solvent. The highest quality of Tier 1 capital is called common equity tier 1 (CET1) capital.

AT1 CoCos are perpetual in nature (they have no fixed maturity date), and periodicity of coupon payments is not specified.

TARGET INVESTORS

The types of clients to whom the product is targeted: retail clients, professional clients and eligible counterparties which:

- agree and are able to bear loss that may attain abnormally a high level (the amount of loss close to the amount invested),
- agree to own the bonds for an indefinite period of time,
- possess adequate knowledge and/or experience to be able to deal in financial instruments,
- understand and are aware of the advantages of investing in the product and the risks involved,
- do not set out specific requirements regarding capital appreciation and/or regular interest payments,
- are able to assess appropriately and analyse the effects of interest rates, economic factors and other relevant factors on investment in the bonds.

Please evaluate thoroughly your own financial capacity, determine your investment objectives, and analyse all available information about the financial instrument before making your investment decision.

WHAT ARE THE RISK AND WHAT COULD I GET IN RETURN?

The Summary Risk Indicator (SRI)

1	2	3	4	5	6	7
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[Noguldījumu garantiju likums] of the Republic of Latvia. If the issuer is unable to make payouts, then you will not receive any payments in connection with this product from Baltic International Bank SE.

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, for the maximum recommended holding period. They include potential early exit penalties. The figures assume you invest EUR 100 000. The figures are estimates and may change in the future.

Investments (EUR 100 000)	
Total costs	EUR 400
Impact on return per year	0.4%

Composition of costs

One-off costs	Entry costs	0.15%	The minimum fee: EUR 100
Ongoing costs	Custody fee	0.25%	Calculation of the custody fee (charged for safekeeping of the financial instruments) is based on the aggregate market value of the financial instruments held in the portfolio as at the last working day of each month.

RECOMMENDED HOLDING PERIOD AND PREMATURE DISINVESTMENT

As the bonds are issued by private placement (private-placement issuance), the secondary market may become illiquid, thus depriving the investors of the chance to sell the bonds.

This product is perpetual in nature (it has no fixed maturity date).

HOW CAN I COMPLAIN?

To lodge your oral or written complaint about the product or the conduct of Baltic International Bank SE, you can:

- call your private banker or call at (+371) 6700 0444;
- visit Bank (Kalēju ielā 43 or Bank's head office at Grēcinieku ielā 6, Riga);
- email your complaint at sudzibas@bib.eu or fax it at (+371) 6700 0555.

Information about how to lodge complaints is available on our website <https://www.bib.eu/lv/sudzibu-un-stridu-izskatisana>.

OTHER RELEVANT INFORMATION

Investments, including investments in financial instruments such as AT1 CoCos, involve risks described in Bank's document titled "Description of Financial Instruments and Inherent Risks" available on our website <https://www.bib.eu/lv/dokumenti>.