Key Information Document

Leveraged Knock In Convertible

WesternUnion\\WU Business Solutions

Purpose

This document provides you with key information about this 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 Name	**Leveraged Knock In Convertible**
Manufacturer	Western Union International Bank GmbH (WUIB)
Website	https://business.westernunion.com/en-ie/
Contact Information	1 800 832 771
Regulator	Austrian Financial Market Authority (Finanzmarktaufsicht)
Document Date	**05/02/2021**

NOTE: 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) foreign exchange derivative structure - Leveraged Knock In Convertible

Description:

The Leveraged Knock In Convertible is a Structured Option that works in much the same way as the non-leveraged variety. It protects the buyer against the risk that the GBPUSD rate will be less favourable than a nominated Protection Rate at the Expiry Date whilst retaining the ability to take advantage of favourable currency movements as far as a Knock In Rate. If the GBPUSD rate trades at or beyond the Knock Out Rate (either before or after the Knock In Rate), the buyer's obligation to trade ceases to exist leaving a no obligation Vanilla Option giving the right to trade GBPUSD at the Protected Rate. The primary difference is that, in order to get a more favourable Protection Rate, Knock Out Rate and/or Knock In Rate from the outset, the buyer accepts the risk that, if the GBPUSD rate trades at or beyond the Knock In Rate at any time during the life of the contract, he will be obliged to trade a Leveraged Amount at the Protection Rate on expiry unless the Knock Out Rate has been breached.

A Leveraged Knock In – Convertible is structured by entering into two concurrent options. In the first you buy a Put Option from WUIB giving you the right, but no obligation to deal the Protected Amount with WUIB at the Protection Rate on the Expiry Date. In the second you sell a Call Option to WUIB at the Protection Rate for the larger Leveraged Amount that is contingent on a Knock In Rate and a Knock Out Rate. The Call option remains dormant and cannot be exercised against you unless the underlying Spot Rate trades at or beyond the Knock In Rate during the life of the contract. If the market does trade at or beyond the Knock In rate, the Call option is activated along with the Knock Out Rate. If, at the expiry time on the Expiry Date, the Spot Rate remains more favourable than the Protection Rate and has not traded at the Knock Out rate, you will be obliged to deal the Leveraged Amount with WUIB at the Protection Rate. However, if the Spot Rate trades at or beyond the Knock Out Rate, this obligation is cancelled and you are once again left with the right, but no obligation to trade at the Protection Rate.

Where applicable, a Window Barrier can only be triggered during a specified period of time, rather than throughout the life of the contract, while an At Expiry barrier can only be triggered at the expiry time on the expiry date

Protection Rate	**1.3908**	**Protected Amount**	**EUR 10,000**
		Leveraged Amount	**EUR 20,000**
Knock In Barrier	**1.4482**	**Expiry**	**05/02/2022**
Knock Out Barrier			

Intended Retail Investor

This product is suitable only for those corporate customers who have a higher degree of experience of hedging currency risk. As the potential obligation exceeds the amount protected, the buyer should also be in a strong financial situation and/or make use of other, less volatile hedging products in addition to this.

Term

This Document assumes a term of 1 year, a typical duration for this structure type; however, the term of the contract will be agreed with you when entering into the deal. Once agreed, the buyer retains the right to request cancellation of the contract prior to expiry on demand, although this will incur a cost (see below). Western Union reserves the right to terminate the contract only in circumstances where the buyer is in breach of the contract terms, or becomes insolvent.

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

1	2	3	4	5	6	7

Lower Risk — Higher Risk

The risk indicator assumes you keep the product for 12 months. The actual risk can vary significantly if you end your product at an early stage 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 market performance at a very high level, and poor market conditions are very likely to impact the capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

In some circumstances you may be required to make payments to pay for losses. The total loss you may incur may significantly exceed the amount invested.

If we are not able to pay you what is owed, you could incur significant losses

Nominal Amount	EUR 10,000	
Scenarios		12 months (Recommended Holding Period)
Stress Scenario	**What you might get back or pay after costs**	EUR -2,699
	Percentage return/loss over nominal amount	-27%
Unfavourable Scenario	**What you might get back or pay after costs**	EUR -900
	Percentage return/loss over nominal amount	-9%
Moderate Scenario	**What you might get back or pay after costs**	EUR 735
	Percentage return/loss over nominal amount	7%
Favourable Scenario	**What you might get back or pay after costs**	EUR 1,170
	Percentage return/loss over nominal amount	12%

The table shows the money you could get back or pay over the next 12 months (Recommended Holding Period), under different scenarios, assuming a nominal value of EUR 10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios for other products.

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.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this product 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

This product cannot be easily ended. This means it is difficult to estimate how much you would get if you end before the end of the recommended holding period. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all thecosts of the product itself and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What Happens If Western Union International Bank GmbH is unable to pay out?

As counterparty to your product you are relying upon WUIB’s financial ability to fulfil its obligations to you upon maturity of the contract. This means that if WUIB is unable to pay out, you may not receive any amount at maturity of this contract. To aid in your assessment of this risk WUIB will provide you with a copy of its latest audited financial statements upon request. You may request a copy of our most recent financial statements by emailing us at options@westernunion.com.

What are the costs?

The Reduction In Yield (RIY) shows what impact the total costs you pay will have on the performance of the product. 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 recommended holding period. They include potential early exit penalties. The figures assume a nominal value of EUR 10,000. The figures are estimates and may change in the future.

Costs over time

Nominal Amount	EUR 10,000	If you end after the Recommended Holding Period
Total Costs		EUR 45
Impact on Return (RIY)		**0.45%**

Composition of Costs

The table below shows:
- The impact on return per year of the different types of costs on the performance of the product at the end of the recommended holding period
- The meaning of the different cost categories

This table shows the impact on return over the recommnеded holding period			
One-Off Costs	Entry Costs	0.45%	The Impact of the costs already included in the price.
	Exit Costs	n/a	The impact of the costs of exiting your product when it matures
Ongoing Costs	Portfolio Transaction Costs per year	n/a	The impact of costs of us buying and selling underlying investments for the product
	Other ongoing costs	n/a	The impact of costs that we take each year for managing your products and the costs presented in Section II

Entry Costs include a cost of credit which is determined by our assessment of your credit worthiness. This assessment will lead to an internal rating from A to D with the lowest credit charges for A rated customer. The above costs assume a rating of D.

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

Recommended holding period **12 months**

The recommended holding period is the duration of the OTC product as agreed in the individual contract. For this product, a holding period of 12 months is quite common and so has been used as the example; however, if you buy this option the duration should match your underlying cash flow requirements. There is no minimum holding period per se, but the product performs better when held for at least 12 months and the maximum is 24 months.

In general, the option should be held until the maturity date; however, it can be ended early at your request.

Depending on the market value of the product there may be a gain or loss to you at the point of ending the product.

How can I complain?

We have established procedures and policies to ensure that any complaint you may have is properly considered and appropriate measures are taken to address any issues. If you have a complaint, you can raise it with us by: (i) email at: wubsireland@westernunion.com); or (ii) telephone at 1800 832 771; or (iii) by post to us at our Main Office Address : Western Union International Bank GmbH, Beschwerdemanagement, The Icon Vienna (Turm 24), Wiedner Gürtel 13, 1100, Vienna, Austria.

Any complaint you make will be handled in accordance with our complaints handling procedures, copies of which are available from your Corporate Hedging Manager or on our website:

https://business.westernunion.com/en-ie/compliance-legal/file-a-complaint

Other Relevant Information

Further information on this product, as well as the others that we offer are available in our Product Disclosure Statement. This can be obtained by calling us on 1800 832 771 or may be downloaded from our website:

https://business.westernunion.com/en-ie/compliance-legal/compliance