

Information about AS “SEB banka” and its investments services

INFORMATION ABOUT AS "SEB BANKA"

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AS "SEB banka" (hereinafter – SEB banka) has the Credit Institution Licence issued by the Financial and Capital Market Commission. SEB banka is supervised by the Bank of Latvia (address: K. Valdemāra iela 2A, Rīga, LV 1050, Latvija; telephone: +371 67022300; fax: +371 67022420; e-mail: info@bank.lv; home page: www.bank.lv).

SEB banka is part of the SEB Group.

SERVICES PROVIDED BY SEB BANKA

SEB banka is providing investment services as follows:

- 1) acceptance and transfer for execution of orders for one or several financial instruments;
- 2) execution of orders on behalf of customers;
- 3) performance of transactions on behalf of SEB banka;
- 4) portfolio management;
- 5) investment advice;
- 6) allocation of financial instruments where SEB banka does not take responsibility to purchase the financial instruments.

SEB banka is providing ancillary services as follows:

- 1) holding of financial instruments;
- 2) granting of credits or loans to an investor for carrying out transactions in financial instruments where SEB banka is involved in the transaction in financial instruments as the other party to the transaction;
- 3) foreign exchange services provided that they are related to the provision of investment services
- 4) advisory on capital structure, strategy and related issues, as well as providing advice and services on mergers and acquisitions of companies.

More information on the investment services and ancillary services provided by SEB banka is available on www.seb.lv.

INFORMATION ON PRICES, COSTS AND TAXES

Prices for standard investment services and ancillary services provided by SEB banka are disclosed in SEB banka's Price List. The valid Price List is available in SEB banka's branch offices and customer service centres, Private banking office and on www.seb.lv. In addition to the indicated prices, SEB banka's Price List can contain information on taxes, charges and costs, that are not included into the price or are not covered by SEB banka. Information about all costs and charges regarding concrete financial instrument or service (if it is applicable) is available on www.seb.lv/mifid (see: Examples of costs and charges)

LANGUAGE OF COMMUNICATION

The language used in SEB banka's business, documentation and in communication is Latvian activities, if customer and SEB banka have not agreed differently in service agreement or data sheet.

COMMUNICATION CHANNELS

Clients may contact SEB banka personally, by phone or in writing, and may use SEB banka's remote management systems in accordance with concluded agreements. Information could be sent unencrypted while using above mentioned communication channels. Clients may perform transactions with financial instruments using communication channels indicated in agreements.

Telephone conversations or communication with customer, which leads to transaction or could lead to transaction with financial instruments, will be recorded and stored by 5 years (or longer time period, if such is set by regulation), and such copies is available for customer by request.

REPORTS

SEB banka observes laws and regulations of the Republic of Latvia and regularly provides reports to its clients in accordance with requirements of the laws and regulations and within the determined terms.

CLIENT CATEGORISATION

Under the Financial Instruments Market Act of the Republic of Latvia, all clients purchasing financial instruments, investment services or ancillary services shall be placed into one of three categories (see the classification of categories below). The purpose of this exercise is to enable SEB banka to afford its clients the appropriate level of investor protection. Depending from the applied category, the client is afforded higher and lower level of protection.

Private individuals and companies without extensive knowledge and experience in financial instruments, investment services or ancillary services, are categorised as **Retail Clients**.

Clients with extensive knowledge and experience with regards to financial instruments, investment services or ancillary services, are categorised as **Professional Clients**. Professional Clients can be, for example, large corporations, credit institutions and other licensed and supervised institutions operating in financial markets. As these clients have extensive knowledge and experience in operation on financial markets, they are afforded lower level of investor protection than Retail Clients.

The third category is the so-called **Eligible Counterparties**, which is afforded the least protection. Eligible Counterparties are, for example, banks, central banks, governmental authorities, supranational financial bodies and other.

Retail Clients are afforded the highest level of investor protection. This means that SEB banka, among other things, will provide the client with information regarding financial instrument and risks associated with such instruments as well as information concerning fees and other costs associated with purchase and sale of financial

instruments. When SEB banka provides investment advice to a Retail Client, SEB banka will assess whether the investment service or ancillary service is suitable and appropriate for the client, which includes assessment of client's knowledge and experience, investment targets and financial situation. When providing other investment services, SEB banka will assess appropriateness, considering client's knowledge and experience, in order to ensure that the client understand risks associated with proposed service.

Retail Clients may request to be treated as a Professional Client, subject to SEB banka assessing that its situation and circumstance justify this decision. Professional Clients may request to be treated as an Eligible Counterparty, subject to a similar assessment. Equally, Eligible Counterparties may request to be treated as a Professional Client, or Professional Clients as a Retail Client. However, a private individual may never be treated as an Eligible Counterparty. Clients who request to be placed in a category which is afforded less protection will lose the additional protection afforded by their original category.

INFORMATION ON CONFLICTS OF INTERESTS

SEB banka provides a complete range of financial services to its clients, comprising many different business activities. Hence, situations occur when conflicts of interests may arise between a SEB banka, its parent company and subsidiaries, employees, structural units and clients, as well as between clients of SEB banka

SEB banka has carefully analysed the areas where such potential conflicts of interest can occur and has documented them in its Conflicts of Interests Policy. The Policy anticipates the procedure of performing transactions, the measures to be performed for eliminating occurrence of any such theoretically possible conflict of interests, and set out how conflicts of interests will be handled in order to prevent them from having an adverse effect on clients' affairs. SEB banka has elaborated procedures, which ensure timely identification and management of potential situations of a conflict of interests and anticipate activities for eliminating situations of a conflict of interests. Among such procedures and arrangement is, for example, physical segregation of units in SEB banka to restrict information exchange and inappropriate use of it, lines of reporting and the compensation arrangements, to protect independence of the employee. Employees cannot be involved in transactions where they have personal interest. More detailed information about SEB banka's Conflicts of Interests Policy is available in SEB banka's branch offices and customer service centres, Private banking office and on www.seb.lv/mifid (see Read more -> Conflicts of Interest Policy).

INFORMATION ON INDUCEMENTS

Conflicts of Interest Policy for SEB banka also covers situation, where SEB banka make payment of or receive fees or other benefits (e.g., goods or services) in connection with the service provided to the client ("inducement"), which creates potential conflict of interest. SEB banka may provide or receives such inducements from third parties only when this payment is required to render a specific service to the client, and which in its essence cannot later come into conflict with SEB banka's duty to act honestly, fairly and professionally in the best interests of the client.

You, as a client of SEB banka, are entitled to receive information about the compensation or other benefits SEB banka receives from, or provides to, in connection to services provided to you. More detailed information about such payments is available in SEB banka's branch offices and customer service centres, Private banking office and on www.seb.lv/mifid (see Read more -> Information on inducements related to investments in funds (PDF)

and Information on inducements related to the investment services and products provided (PDF).

INVESTOR COMPENSATION SCHEME

SEB banka always holds clients' financial instruments separated from its own assets.

Clients are protected by the Investor Compensation Scheme. In accordance with the Investor Protection Law compensation at 90% of the irrevocably lost value of financial instruments or of losses incurred by the non-performance of investment services is guaranteed for an investor, but not more than EUR 20,000 for each client.

The investors compensation scheme do not cover the cases, when the investors suffer losses due to price change of financial instruments or when the financial instruments become illiquid.

The compensation is paid only to those investors, who submit an application to the Bank of Latvia on the irretrievably lost financial instruments or the loss caused by an investment service not executed. The application for receiving the compensation must be submitted within one year since an investor becomes aware that investment firm has not performed its liabilities, but not later than within five years from that day. The compensation is not paid to certain clients identified in the act, for example, professional investors, persons related to investment firm and their relatives etc.

DEPOSIT GUARANTEE SYSTEM

Deposit Guarantee Law of the Republic of Latvia stipulates guaranteed compensation to the amount of the deposit (but not exceeding 100,000 EUR) per depositor, if the deposit is not available. Additional compensation up to 200,000 EUR is possible for the following deposits of the private person within the period of three months from the date when the initial deposit was made:

1. Income from transactions from the real estate owned by the person and intended for residence;
2. Social benefits, compensations and deposits intended for other social purposes as determined by the regulatory enactments paid to the person;
3. Compensation for criminal damage or wrongful conviction of the person according to the procedure stipulated by the regulatory enactments.

If the depositor has several guaranteed deposits, they are added up and considered as one guaranteed deposit.

The guaranteed compensation is paid only to those depositors whose claim has been recognised by the liquidator or administrator. Unavailability of deposit occurs upon judgement of the court regarding insolvency of the credit institution and initiation of bankruptcy proceedings. The guaranteed compensation is not paid for certain statutory customer deposits, such as deposits of financial institutions, persons associated with the credit institution, their relatives, etc.

FILING A COMPLAINT

If a client is discontent with information or service that SEB banka has provided, the client has several options to express his or her opinion and file a complaint. The more information provided regarding the specific case, the more rapidly and efficiently SEB banka will be able to handle the complaint.

Process of submitting and reviewing of complaints and disputes (incl. in out-of-court arrangement) is stipulated in SEB banka's General business terms and conditions paragraph "Review Procedure of Complaints and Disputes".

CHARACTERISTICS AND RISKS OF FINANCIAL INSTRUMENTS

Investments into financial instruments always involve undertaking of risks. The capital invested by the client can increase or reduce and there is no guarantee that the client will not lose all or a part of

his invested capital or even will not create additional obligations for customer. More detailed information about investment products and related risks is available on www.seb.lv/mifid.lv (see Read more -> Description of Investment products and related risks).