|  |  |
| --- | --- |
|  | Annex No. 6JSC „LPB Bank”12.10.2018. For the Customer’s status procedure |

CUSTOMER’S QUESTIONNAIRE REGARDING THE EXPERIENCE AND KNOWLEDGE IN TRANSACTIONS WITH FINANCIAL INSTRUMENTS

Information provided by you will be used in accordance with the “Financial Instrument Market Law” of the Republic of Latvia. The purpose of the questionnaire is to obtain additional information in order determine your status (private Customer, professional Customer or eligible counterparty) and to assess the suitability and eligibility of services and products to you as the Customer of the JSC “LPB Bank” (hereinafter - the Bank), thus ensuring additional protection for you. The Customer is responsible for the authenticity and completeness of the provided information and documents. The Customer is obliged to promptly notify the Bank in writing regarding amendments to the provided information. In the case that the Customer refuses to provide information to the Bank that has been requested by the Bank, provides incomplete, inaccurate information or fails to inform the Bank regarding the changes in previously provided information, the Bank is not be responsible for the fact that it is not possible to assess, whether the Customer has sufficient knowledge and experience to understand the risks related to the particular product or service, and is not able to warn the Customer in cases when the product or service is not suitable for the Customer, as well as is not able to assess whether the particular product or service complies with the goals of investment of the Customer and, whether the Customer is able to undertake financial losses, that may be caused by this product or service.

**1. Information about the Customer** (mandatory section)

 **For natural persons For legal persons**

|  |  |  |  |
| --- | --- | --- | --- |
| Name, Surname | Personal identity number (or date of birth) | Company name | Registration No. |
|  |
| Address (declared and actual) |
| Telephone | E-mail |
| Name, surname, personal identity number of the Customer representative whose knowledge and experience is evaluated (mandatory for legal entities) | Grounds for representation |
| Current account in JSC „LPB Bank” |

Is the Customer included in the list of internal information holders of the issuers of financial instruments of any regulated market?

[ ]  Yes [ ]  No

If the answer to the previous question was “Yes”, please specify the respective issuers:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Is the status of professional Customer or eligible counterparty granted to the Customer in any country of the European Union or European Economic Area?

[ ]  Yes - the status of professional Customer has been granted \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (specify the respective country)

[ ]  Yes - the status of eligible counterparty has been granted \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (specify the respective country)

[ ]  No

Does the Customer have access to the internet?

[ ]  Yes [ ]  No

Preferable communication language, when receiving investment services (multiple can be selected):

[ ]  Latvian [ ]  English [ ]  Russian

**For natural persons:**

**Education**

[ ]  secondary [ ]  higher in economics/finance [ ]  higher professional

[ ]  secondary vocational [ ]  higher (in other fields) [ ]  other (please specify) \_\_\_\_\_\_\_\_\_\_\_

**Profession (indicate both current and previous)**[ ]  financial market analyst [ ]  financial instrument broker [ ]  financial instrument dealer

[ ]  financial instruments portfolio manager [ ]  investment advisor [ ]  other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_

**For legal persons:**

**The education of the Customer’s representative whose experience and knowledge is evaluated**

[ ]  secondary [ ]  higher in economics/finance [ ]  higher professional

[ ]  secondary vocational [ ]  higher (in other fields) [ ]  other (please specify) \_\_\_\_\_\_\_\_\_\_\_

**The profession of the Customer’s representative whose experience and knowledge is evaluated (indicate both current and previous)**[ ]  financial market analyst [ ]  financial instrument broker [ ]  financial instrument dealer

[ ]  financial instruments portfolio manager [ ]  investment advisor [ ]  other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_

**Customer’s legal form**[ ]  state authority [ ]  international financial institution

[ ]  company [ ]  other (please specify) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Is the Customer a licensed and supervised institution for operations in the financial market?**[ ]  Yes [ ]  No

**Scope of Customer’s business activity:**

[ ]  credit institution [ ]  investment brokerage company [ ]  investment fund and investment management company

[ ]  Alternative Investment Fund and Alternative Investment Fund Manager [ ]  insurer

[ ]  pension fund and pension fund manager [ ]  another licensed or regulated financial institution, **please specify**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ [ ]  public authority that manages public debt

[ ]  national central bank [ ]  international financial institution [ ]  commodity dealers [ ]  a company that carries out transactions its own name in the options, futures or derivatives market, or in the derivative’s underlying assets market, whose sole purpose is to restrict the financial risk in the derivative market or that carries out transactions at the expense of other market participants or provides prices to them, and the transactions are guaranteed by the members of the settlement system on that market, if the liability for the execution of the contracts entered into by such a company is assumed by the participants of the payment system in that market.

[ ]  other company, whose main activity is to invest in financial instruments, and that makes such investments in large scales, **please specify amount in EUR: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

[ ]  other, **please specify**: \_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**2. Information about the financial instruments account** (mandatory section, please select one)

[ ]  I certify that the Customer will be the owner of all financial instruments available in the financial instruments account.

[ ]  I certify that the financial instruments available in the financial instruments account will not be owned by the Customer, but be in the possession of the Customer. The financial instruments account will be a nominal account within the meaning of the Financial Instrument Market Law of the Republic of Latvia.

**3. Customer's experience and knowledge in relation to transactions with financial instruments** (mandatory section)

**3.1 Has the Customer previously concluded transactions with financial instruments?**

[ ]  Yes [ ]  No

If the answer is "Yes", then please, answer the rest of the questions in Section 3.

If the answer is "No", then please, answer the questions in the remaining sections.

**3.2 Information on the nature, time period, frequency and amounts of the Customer's transactions with complex financial instruments and knowledge about financial instruments.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type of the financial instruments | Does the Customer have good knowledge of the respective financial instrument and the risks related to it? | How long ago did the Customer commence transactions with the respective financial instrument? | How often has the Customer performed transactions with the respective financial instrument? | What are the maximum amounts of transactions performed by the Customer with the respective financial instrument (EUR equiv.)? |
|  | Yes | No | No experience | Less than 12 months | More than 12 months | Less than 2 transactions per year | 2 to 12 transactions per year | More than 12 transactions per year | Less than 100 000 | From 100 000 to 1 000 000 | More than 1 000 000 |
| **Complex Financial Instruments** |
| Shares and depository certificates traded outside regulated market or trading venue |  |  |  |  |  |  |  |  |  |  |  |
| Credit Linked Notes |  |  |  |  |  |  |  |  |  |  |  |
| Asset-backed securities |  |  |  |  |  |  |  |  |  |  |  |
| Convertible bonds |  |  |  |  |  |  |  |  |  |  |  |
| Structured Products |  |  |  |  |  |  |  |  |  |  |  |
| Bonds with an option |  |  |  |  |  |  |  |  |  |  |  |
| Hedge funds |  |  |  |  |  |  |  |  |  |  |  |
| Contracts for Difference |  |  |  |  |  |  |  |  |  |  |  |
| Futures Contracts |  |  |  |  |  |  |  |  |  |  |  |
| Options |  |  |  |  |  |  |  |  |  |  |  |
| Leveraged Exchange Traded Funds |  |  |  |  |  |  |  |  |  |  |  |
| **Other complex transactions and services** |
| OTC Forward |  |  |  |  |  |  |  |  |  |  |  |
| OTC Currency Swap |  |  |  |  |  |  |  |  |  |  |  |
| OTC Interest Rate Swap |  |  |  |  |  |  |  |  |  |  |  |
| REPO transactions |  |  |  |  |  |  |  |  |  |  |  |
| Margin trading |  |  |  |  |  |  |  |  |  |  |  |
| Short Selling |  |  |  |  |  |  |  |  |  |  |  |
| **Transactions in currency market** |
| FX Forward |  |  |  |  |  |  |  |  |  |  |  |
| FX Swap |  |  |  |  |  |  |  |  |  |  |  |
| Margin FX trading |  |  |  |  |  |  |  |  |  |  |  |

**4. Customer's experience and knowledge in relation to individual management services of financial instruments (trust operations)** (this section is mandatory if the Customer intends to receive financial instrument individual management service (trust operations) and/or investment advice from the Bank)

**4.1 Has the Customer previously provided financial instruments for individual management (trust operations)?**

[ ]  Yes [ ]  No

If your answer is "Yes", then please, answer the rest of the questions in Section 4.

If your answer is "No", then please, answer questions in the remaining sections.

**4.2. How much experience do you have with using financial instrument individual management services (trust operations)?**[ ] no experience [ ]  from 1 to 3 years (including)

[ ] less than 1 year [ ]  more than 3 years

**5. Customer’s planned strategy for financial instruments transactions and/or investments** (this section is mandatory if the Customer intends to receive financial instrument individual management service (trust operations) and/or investment advice from the Bank)

**5.1 Aim of concluding financial instrument transactions**

[ ]  single transaction [ ]  for the risk reduction purposes [ ]  other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[ ]  speculation in financial markets [ ]  long-term investments

**5.2 Customer’s investment strategy**

[ ]  conservative (The Customer's asset allocation and management strategy, that aims to minimize the risk of a Customer's investment depreciation. The investment strategy is based on adding low profitability and inclusion of low risk financial instruments in the Investment Portfolio, by anticipating to locate Customer’s assets primarily in money market funds, investment grade bonds and in open bond funds; a small fraction of the Customer's assets submitted for hedging purposes to the Bank for carrying out Trust operations may be invested in high yield bonds, closed bonded investment funds, open-ended balanced investment funds, as well as in derivatives for hedging purposes; by anticipating to invest small fraction Customer’s assets in equity funds. This strategy is characterized by a high degree of liquidity for which it is typical to have slight fluctuations in the value of the investment portfolio.)

[ ]  balanced (The Customer's asset allocation and management strategy, that aims to increase the value of the Customer's investments by using balanced risk financial instruments with average returns. This strategy may be selected if the Customer chooses to make longer-term investments, and if Customer’s assets are intended to be located in market funds, investment grade bonds, open bond and equity investment funds, intending to invest a significant part of the assets in high yield bonds and closed bond investment funds; by investing a fraction of the Customer’s assets in derivatives (for hedging or risk reduction), stocks, alternative investment funds and other funds)

[ ]  aggressive (The Customer's asset allocation and management strategy, that aims to achieve maximum profitability by high yield financial instruments with high risk. This strategy intends to invest Customer’s assets in money market investment funds, debt securities, balanced investment funds of various strategies; derivatives (for hedging purposes), shares, open-end mutual funds and other investment funds; by investing a half (or more) of the total value of the Customer’s assets that are passed for management also in closed equity investment funds. Managed portfolio of investments under this strategy can have low level of liquidity, as well as relatively high price volatility)

**5.3 Your preferred period for holding investments**

[ ]  short-term (up to 1 year) [ ]  long-term (from 3 years and more)

[ ]  medium-term (from 1 to 3 years)

**6. Customer’s financial information** (this section is mandatory if the Customer intends to receive financial instrument individual management service (trust operations) and/or investment advice from the Bank)

**For Natural persons**

**6.1 Annual income (EUR equiv.)**

[ ]  up to 10,000 [ ]  from 100,000 to 1,000,000

[ ]  from 10,000 to 100,000 [ ]  above 1,000,000

**6.2. Owned unencumbered assets, including money, securities, immovable property etc. (EUR equiv.)**

[ ]  up to 10,000 [ ]  from 100,000 to 1,000,000

[ ]  from 10,000 to 100,000 [ ]  above 1,000,000

**6.3. To what extent does the financial status of the Customer’s and ability to pay for the current or planned liabilities depend on assets or monetary funds, that are used for transactions with financial instruments?**[ ]  does not depend [ ]  partially depends [ ]  largely depends

**For legal persons**

**6.4. Amount of own capital (EUR equiv.)**

[ ]  below 100’000 [ ]  from 500’000 to 2’000’000

[ ]  from 100’000 to 500’000 [ ]  above 2’000’000

**6.5. Net turnover (EUR equiv.)**

[ ]  below 100’000 [ ]  from 10’000’000 to 40’000’000

[ ]  from 100’000 to 10’000’000 [ ]  above 40’000’000

**6.6. Balance value (EUR equiv.)**[ ]  below 100’000 [ ]  from 1’000’000 to 20’000’000

[ ]  from 100’000 to 1’000’000 [ ]  above 20’000’000

**6.7. To what extent does the financial status of the Customer and ability to pay for the current or planned liabilities depend on assets or monetary funds, that are used for transactions with financial instruments?**

[ ]  does not depend [ ]  partially depends [ ]  largely depends

**7. Confirmation**

I hereby confirm that the information provided by me is true, precise, and complete and in the case of any changes in the above provided information I undertake to inform the Bank.

The Bank informs that in the case of a failure to submit information on changes in information provided by this questionnaire you agree that the Bank will not responsible for the consequences caused by incomplete information provided by you or the failure to inform on changes in information.

I understand that the Bank does not assess the eligibility and suitability of the Investment Services and ancillary services for Eligible Counterparties and Professional Customers.

I understand that in the case of Investment Advice and Trust operations, the suitability test is not carried out, as these investment services are only available to Professional Customers.

I understand and agree that if the Customer does not qualify to receive the Professional Customer status then Trust Operations and Investment Advice services will not be provided to the Customer as well, if for some reason Customer loses the Professional Customer status, the Bank will immediately discontinue providing the Trust Operations and Investment Advice services, as these services are only available to Professional Customers.

|  |  |  |  |
| --- | --- | --- | --- |
| Customer/ Customer representative (Name, surname) | Signature | Grounds for representation | Date |

***8. To be filled by JSC “LPB Bank” authorized representative***

8.1. Based on the information provided by the Customer, the Customer has been granted a following status:

 [ ]  Eligible Counterparty [ ]  Professional Customer

 [ ]  Private Customer

8.2. In the case of all Investment Services and Ancillary Investment Services, except Trust Operations and Investment Advice, the financial instruments that are suitable for the Customer's financial instruments risk profile are all the following financial instruments:

8.2.1 that are specified in the Bank's Customer's orders of transactions with financial instruments policy paragraph 8.2 - Simple financial instruments;

8.2.2. that are marked “Yes” in paragraph’s 3.2 section “Does the Customer have good knowledge of the respective financial instrument and the risks related to it?”. If the Bank in this paragraph has made a different assessment in respect to one or several financial instruments by marking (-), then the relevant assessment in respect to such financial instrument is considered the Bank’s assessment (-), that indicates that the Customer does not fully understand the financial instrument and the risks related to it.

|  |  |
| --- | --- |
| **Financial instrument type** | The (-) sign next to Financial Instrument Type field indicates FI for which the Customer in clause 3.2. marked “Yes”, but the Bank believes that FI is not suitable to the Customer  |
| **Complex Financial Instruments** |
| Shares and depository certificates traded outside regulated market or trading venue |  |
| Credit Linked Notes |  |
| Asset-backed securities |  |
| Convertible bonds |  |
| Structured Products |  |
| Bonds with an option |  |
| Hedge funds |  |
| Contracts for Difference |  |
| Futures Contracts |  |
| Options |  |
| Leveraged Exchange Traded Funds |  |
| **Other complex transactions and services** |
| OTC Forward |  |
| OTC Currency Swap |  |
| OTC Interest Rate Swap |  |
| REPO transactions |  |
| Margin trading |  |
| Short Selling |  |
| **Transactions in currency market** |
| FX Forward |  |
| FX Swap |  |
| Margin FX trading |  |

8.3. In the case of Investment Advice and Trust Operations, suitability checks are not carried out as these investment services are only available to Professional Customers.

If the Customer does not qualify to receive the Professional Customer status, Trust Operations and Investment Advice services will not be provided to the Customer. If, for some reason, Customer loses the Professional Customer status, the Bank will immediately discontinue providing the Trust Operations and Investment Advice services, as these services are only available to Professional Customers.

|  |  |  |
| --- | --- | --- |
| Signature | Signature transcript | Date |