PPF Banka

INVESTMENT QUESTIONNAIRE

1. General Provisions

(a) The Bank submits this Investment Questionnaire to the Client for the purpose of providing Investment Services in a qualified manner. The Bank will use the information provided herein to assess whether a deal involving an Investment Instrument or an Investment Service to be provided by the Bank to the Client are appropriate for the Client's knowledge and experience in the investment field.

(b) If the Client gives a false, incomplete or inaccurate answer to any of the questions, the Bank may not be able to assess the Client's knowledge and experience accurately and may select an Investment Instrument, an Investment Service or manner of providing the Client therewith that is not appropriate or may refuse to provide the requested Investment Service.

(c) All information stated in this Investment Questionnaire is covered by banking secrecy and is confidential under the applicable regulations.

(d) Capitalised terms or phrases used in this document have the meanings specified in the Business Conditions of PPF banka a.s. for Investment Services. The provisions hereof are to be interpreted according to the interpretation rules set out in the Conditions. This document is an Investment Document.

2. Identification of the Client

Client	
Name:	
Birth ID No. (date of birth) / Identification No.:	
Address / Registered office:	
Represented by (legal persons only):	
Position (legal persons only):	

3. Knowledge and Experience

3.1 What types of Investment Instruments do you know, i.e. can you describe their characteristics and risks associated with them? (several answers are possible)

- ☐ Money market instruments (treasury bills, bills of exchange and other debt securities with maturity up to 1 year, deposit certificates, promissory notes, money market funds etc.)
- ☐ Bonds/Notes
- ☐ Collective investment instruments (unit-linked funds)
- ☐ Stocks and exchange-traded funds (ETF)
- ☐ Foreign exchange derivatives (FX forward, FX swap)
- ☐ Interest rate derivatives (interest rate swap, cross currency swap)
- ☐ Structured finance products (products consisting of multiple components e.g. guaranteed products may consist of bonds and options that determine the final return on investment; structured products may have different maturity and risks. Underlying assets usually include indices, individual stocks, commodities, interest rates, currencies etc.)
- ☐ Leveraged products (Investments in which the change in the value is greater than the change in the underlying asset, typically options, warrants, turbo certificates, futures etc.)

3.2 What types of Investment Instruments have you traded or invested into? (Check, if you made at least 3 transactions in the last 3 years. Several answers are possible.)

- ☐ Money market instruments (treasury bills, bills of exchange and other debt securities with maturity up to 1 year, deposit certificates, promissory notes, money market funds etc.)
- ☐ Bonds/Notes
- ☐ Collective investment instruments (unit-linked or mutual funds)
- ☐ Stocks and exchange-traded funds (ETF)
- ☐ Foreign exchange derivatives (FX forward, FX swap)
- ☐ Interest rate derivatives (interest rate swap, cross currency swap)
- ☐ Structured finance products (products consisting of multiple components e.g. guaranteed products may consist of bonds and options that determine the final return on investment; structured products may have different maturities and risks. Underlying assets usually include indices, individual stocks, commodities, interest rates, currencies etc.)
- ☐ Leveraged products (Investments in which the change in the value is greater than the change in the underlying asset value, typically options, warrants, turbo certificates, futures etc.)

3.3 A bond is a security that usually entitles an investor

- ☐ to payment of a specified yield and to repayment of outstanding principal on a specified maturity date
- ☐ to a share in the profit of the issuer and to exercise voting rights at the issuer's general meetings
- ☐ to the corresponding share of the fund assets
- ☐ I do not know the correct answer

3.4 A stock (share) is a security that usually entitles the investor

- ☐ to payment of a specified yield and to repayment of outstanding principal on a specified maturity date
- ☐ to a share in the profit of the issuer and to exercise voting rights at the issuer's general meetings
- ☐ to the corresponding share of the fund assets
- ☐ I do not know the correct answer

3.5 A unit in a unit-linked fund (mutual fund) is a security that usually entitles the investor

- ☐ to payment of a specified yield and to repayment of outstanding principal on a specified maturity date
- ☐ to a share in the profit of the issuer and to exercise voting rights at the issuer's general meetings
- ☐ to the corresponding share of the fund assets
- ☐ I do not know the correct answer.

3.6 The price of an investment certificate

- ☐ only depends on the supply and demand for the particular certificate
- ☐ is set by the issuer depending on developments in the value of the underlying asset and, partially, on developments in the supply and demand for the particular certificate
- ☐ depends on the volume the Client requests to buy
- ☐ I do not know the correct answer

3.7 If the issuer of a subordinated bond becomes insolvent the investor's claim

- ☐ will be repaid before those of other creditors
- ☐ will only be repaid after the payment of the senior (unsubordinated) debts due by the issuer
- ☐ will never be recovered
- ☐ I do not know the correct answer.

3.8 Credit rating is

- ☐ expert evaluation of the profitability of the issuer of a security
- ☐ the confirmation of a tax authority that the legal person does not owe any taxes
- ☐ an independent evaluation of the credit risk of a debtor or security issuer
- ☐ I do not know the correct answer

3.9 In your opinion, what relationship is there between a potential return on an investment and its risk?

- ☐ The risk of an investment is not related to the potential return; an investment can generate a high return at a low risk
- ☐ A higher potential return usually means a higher risk; conversely, a lower risk also usually correlates with a lower return potential
- ☐ I do not know the correct answer.

3.10 Which of the investments below is less risky for a domestic investor in the Czech Republic?

- ☐ Czech government 5-year bonds denominated in CZK
- ☐ 10-year bonds denominated in EUR issued by a company with no rating
- ☐ I do not know the correct answer.

3.11 Do you or your employees responsible for investing have any education or professional qualifications in the field of capital markets or investing in investment instruments? (several answers are possible)

- ☐ Minimal (e.g. newspapers and the Internet)
- ☐ Self-education (e.g. investment courses or self-study)
- ☐ University degree related to capital or financial markets
- ☐ Working experience of more than two years related to capital / financial markets or investing

3.12 How long have you been investing?

- ☐ Less than a year or not at all
- ☐ 1 to 5 years
- ☐ 5 years or more

3.13 How often do you invest?

- ☐ Exceptionally or not at all
- ☐ About once a year
- ☐ About once a quarter
- ☐ More than once a month

3.14 Do you understand the concept of investment horizon?

- ☐ Yes
- ☐ No

If you answered "Yes", would you sell Investment Instruments if the market price significantly dropped?

- ☐ Yes, I may; I have little other savings and only a small gap between income and expenses so I might need to withdraw the money even for low unexpected expenses in spite of the conditions being unfavourable
- ☐ It is very unlikely. I have other savings or a sufficient gap between my income and my expenses; I would sell the investments only under exceptional circumstances
- ☐ It is virtually impossible; I have sufficient other savings for unexpected expenses and a sufficient gap between income and expenses; I intend to adhere to the investment horizon

3.15 For how long do you intend to hold the Investment Instruments? (several answers are possible)

- ☐ depending on market developments and instrument type
- ☐ short-term (< 1 year)
- ☐ mid-term (1-5 years)
- ☐ long-term (5 years or more)

3.16 What return on products (revenue) in your portfolio do you expect? (several answers are possible)

- ☐ I want a return of up to 2%
- ☐ I want a return between 2 and 6%
- ☐ I want a return over 6%

3.17 What would you do if the value of your investment dropped by 10% within a few days?

- ☐ I would sell my investment immediately to avoid further losses
- ☐ I would wait to see further developments. If the value continues to drop significantly I would decide to sell
- ☐ I would not do anything, or, if the drop continues, I may take advantage of the opportunity to invest (buy more) at lower prices

3.18 My attitude to risk at portfolio level is as follows:

- ☐ I require the repayment of the entire capital invested even if it means a minimum return
- ☐ I expect a return at inflation level and the possibility of limited losses is acceptable for me
- ☐ I expect a rather high annual return and I am aware that there is also a risk of higher losses
- ☐ I expect a high annual return and accept the risk of great volatility, including the loss of all the capital invested

3.19 How risky should the Investment Instruments composing your target portfolio be (several answers are possible)

- ☐ Capital guaranteed even if it means a minimum return
- ☐ Return matching inflation and with limited potential losses
- ☐ With a rather high annual return and possibility of higher losses
- ☐ With a high annual return and possible high losses (including the loss of all capital invested)

3.20 What is the purpose of your investment? (several answers are possible):

- ☐ A way of saving money, i.e. investing in relatively safe Investment Instruments with a regular (lower) return
- ☐ Investing into Investment Instruments that are regarded as lower risk from the long-term perspective and to which capital gains, dividends or interest payments are often associated
- ☐ Investing into Investment Instruments, to which capital gains, dividends or interest payments are often associated, which offer a rather high return in the future at the cost of a higher risk of value volatility
- ☐ Investing into Investment Instruments with a rather high return, that may entail a higher risk of value volatility and capital losses
- ☐ Investing into Investment Instruments with a high return potential but which may result in the loss of the capital

3.21 What liquidity level do you seek?

- ☐ Only highly liquid Investment Instruments are acceptable
- ☐ Under some circumstances I might be compelled to convert a part of the invested capital into cash
- ☐ I expect to adhere to the investment horizon set

3.22 What is the volume of your investment in Investment Instruments?

- ☐ CZK 0 - 10 million
- ☐ CZK 10 - 50 million
- ☐ CZK 50 million or more

3.23 What is your regular monthly income net of regular expenses?

- ☐ < CZK 100,000
- ☐ CZK 100 000 < CZK 1,000,000
- ☐ over CZK 1,000,000

3.24 I am/we are able/willing to invest the money for a period of

- ☐ 3 years maximum
- ☐ 6 years maximum
- ☐ more than 6 years

3.25 What share (percentage) of your assets does the investment in the Investment Instruments represent?

- ☐ 0-20%
- ☐ 21-80%
- ☐ 81-100%

3.26 What would be the consequences of a 100% loss of the capital invested with the Bank taking into account your income and regular financial obligations?

- ☐ insolvency
- ☐ great trouble
- ☐ temporary trouble
- ☐ negligible consequences

3.27 If you incurred losses from investing in Investment Instruments in the past, what impact did the loss have on your financial position?

- ☐ it did not cause any trouble
- ☐ it caused minor complications
- ☐ it caused rather serious complications
- ☐ it had major consequences

3.28 What risks do you have to accept if you want to invest in an investment certificate whose underlying asset are the stocks of three technology firms?

- ☐ certificate issuer risk and underlying stock price development risk
- ☐ the certificate issuer risk only
- ☐ the underlying stock price risk development only

3.29 How is the exchange rate for an FX Forward product – agreed, e.g., for 3 months – usually calculated?

- ☐ The price is calculated from the current spot exchange rate of both currencies to which a fixed fee is always added
- ☐ The price is calculated from the current spot exchange rate of both currencies and reflects the interest rate differential (difference between interest rates) of these currencies
- ☐ The price is based on an analyst estimate of the exchange rates that both currencies will have in three months with a 99.5% probability
- ☐ I don’t know

3.30 A firm is exporting goods and will be paid three months later in a foreign currency. Which products should this exporter use to hedge its foreign exchange risk?

- ☐ Foreign exchange (FX) forward, interest rate option
- ☐ FX forward, FX swap, FX option, stock market index futures
- ☐ FX forward, FX swap, stock market index futures
- ☐ FX forward, FX swap, FX option
- ☐ I do not know the correct answer.

3.31 If you agree upon a Derivative Transaction with the Bank but after the deal is entered into you do not receive a confirmation of the terms of the Derivative Transaction entered into, i.e. a Confirmation, then

- ☐ the Derivative Transaction will be cancelled automatically
- ☐ you have the right to withdraw from the Derivative Transaction at any time and the Bank cannot ask any payment or delivery from you
- ☐ failure to receive a Confirmation does not have impact on the validity of the Derivative Transaction and the Derivative Transaction is entered into validly
- ☐ I do not know the correct answer.

3.32 In order to hedge an interest rate risk the Client agreed an interest rate swap with the Bank, under which the Client pays the Bank a fixed rate of 3% p.a. and receives PRIBOR + 2% p.a. from the Bank. If the PRIBOR reference rate rises to 1.25%, which of the following statements will be true?

- ☐ After the mutual payments have been netted, the Bank will pay the Client 0.25% p.a.
- ☐ After the mutual payments have been netted, the Client will pay the Bank 0.25% p.a.
- ☐ After the mutual payments have been netted, the Client will pay the Bank 3.25% p.a.
- ☐ The Client is neither paying anything to the bank nor receiving anything from the Bank because this is a hedging instrument
- ☐ I do not know the correct answer.

3.33 You own a bond with a variable coupon (6M PRIBOR) and a 3-year maturity. You are concerned about interest rates declining. Which of the following products would you choose as being the best to hedge against declining interest rates?

- ☐ Interest rate swap
- ☐ Foreign exchange (FX) option
- ☐ Foreign exchange (FX) forward
- ☐ Interest rate cap
- ☐ I do not know the correct answer.

3.34 Which of the following statements is true about foreign exchange (FX) forwards?

- ☐ A forward is a leveraged product unsuitable to hedge foreign exchange risk
- ☐ Under a forward contract, the buyer can choose to purchase the foreign currency at the rate agreed presently
- ☐ Under a forward contract, the buyer undertakes to buy the foreign currency at a predetermined date at the agreed price.
- ☐ I do not know the correct answer.

3.35 Which of the following statements is true about interest payable on a structured deposit (dual currency deposit)?

- ☐ The interest rate is always the double of the standard market interest rate
- ☐ The principal and interest will be paid either in the currency of the deposit or in the other currency in the pair at a pre-agreed limit rate
- ☐ The principal is always paid in a different currency than interest, regardless of the rate of the agreed currency pair on the calculation date
- ☐ I do not know the correct answer.

3.36 Which statement is true about a foreign exchange (FX) swap?

- ☐ Combination of a spot purchase and simultaneous forward sale in the future
- ☐ Exchange of currencies at a forward rate
- ☐ One-off exchange of a currency for a bond
- ☐ Exchange of currencies at a spot rate
- ☐ I do not know the correct answer.

3.37 You are the owner of a call option, what does this entail for you?

- ☐ Right to vote at general meetings
- ☐ Obligation to sell the underlying asset
- ☐ Right to buy the underlying asset at the strike price
- ☐ I do not know the correct answer.

3.38 Which statement is true about a barrier option?

- ☐ Once the knock out barrier is reached the option is worthless
- ☐ Once the knock out barrier is reached the option is exercised immediately at the strike price
- ☐ Once the knock out barrier is reached the buyer is entitled to recover the option premium
- ☐ I do not know the correct answer.

3.39 Choose the correct statement: A leverage mechanism

- ☐ is used in margin deals in securities but not in derivatives
- ☐ is used in derivatives but not margin deals in securities
- ☐ is used in both derivatives and margin deals in securities
- ☐ I do not know the correct answer.

3.40 What does cap mean?

- ☐ Warrant
- ☐ Upper limit on an interest rate
- ☐ Security replacing a stock
- ☐ I do not know the correct answer.

By signing this questionnaire, the Client confirms that the information given herein is true and complete, that he/she understood the contents of the Investment Questionnaire, completed it to the best of their knowledge and agrees to inform the Bank without undue delay of any material change in the data stated herein.

[Place & Date]

Signature:		
Name:		
Position:		