

KEY INFORMATION DOCUMENT

CRYPTOCURRENCY CFD

OBJECTIVE

This document contains key information regarding the relevant investment product. It is not a marketing material. Provision of this information is required by the law to help understand the nature of this investment product as well as the risk, costs, potential profits and losses related to it, and to help compare it with other products.

Product	Identification and contact details of the product creator	Information regarding the competent authority	Document date	Additional warning
Contract for Difference (CFD), based on the currency exchange rate, hereinafter referred to as the "product".	XTB Limited, Level 34, One Canada Square, Canary Wharf, E14 5AA, London, United Kingdom, hereinafter referred to as "XTB". Website: https://www.xtb.com/en Call +44 203 695 3086 or email ukservice@xtb.co.uk for more information.	Financial Conduct Authority, 25 The North Colonnade, London E14 5HS United Kingdom.	Document date: 1 December 2017. Last document revision date: 26/07 2018	You intend to buy a product that is complicated and may be difficult to understand.

WHAT IS THIS PRODUCT?

TYPE

A derivative in the form of the contract for difference (CFD). The product uses a financial leverage mechanism. The product allows the client to speculate on the increases and decreases in the prices of cryptocurrencies. The client may open a long position if they believe that the price of the underlying asset will increase or a short position, if the client believes that the price of the underlying asset will fall.

PRODUCT GOALS AND MEASURE TO ACCOMPLISH THEM

The purpose of the product is to enable the client to derive benefits from changes in the price of the underlying instrument without owning it. The rate of return on the product investment depends on the opening price and the closing price of the position. The product reflects the changes of prices of the underlying instruments it is based on. The profit and risk profiles for this product are symmetric. All trades have a maturity date of 365 days. In the cases specified in the Terms and Conditions of Service, XTB is entitled to terminate the product unilaterally.

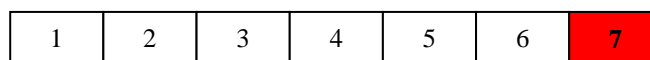
TARGET INDIVIDUAL INVESTOR

The product is not appropriate for every investor. The product is intended for an individual investor who invests actively and, concurrently, is aware of the investment risk. The investor has to familiarise themselves with the governing laws, participate in available trainings and acquaint themselves with the demonstration transaction system.

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

THE GENERAL RISK INDEX

The general risk index provides guidance regarding the risk level of this product in comparison to other products. It shows the probability of money loss on the product due to market changes or as a result of lack of possibility to pay the money out. The general risk index for the product is 7 and it is the maximum index. The risk factor provides for the assumption that the investor can hold the product even for a short period of time for speculation purposes. It is possible that the investor will not be able to realize the investment at a given time or will be forced to incur substantial additional costs to realize the investment at an earlier date. All trades will be realized after 365 days. The total loss of the investor can be all funds within the account. The product can be denominated in a currency other than the currency of the country of residence of the investor, therefore the return can be subject to additional changes, depending on the exchange rate fluctuations.



Lower risk



Higher risk

Possible loss of the invested capital

The investor can lose the entire investment capital understood as a margin for the open product item. A loss exceeding the initial margin as well as obligations exceeding the invested capital is not possible due to negative balance protection. The product does not include capital protection against market risk.

Situation development scenario and assumptions made

In this part it is shown, what amounts of profits or loss can be generated by the investment within 1 year under different scenarios, assuming opening a position requiring a one-off margin of EUR 10,000 (the amount of investment). Presented scenarios illustrate how your investment could perform and they can be compared with the scenarios of other products. Presented results are an estimate of future performance based on evidence from the past and on volatility of the value of this investment and they are not a precise indicator. The return will depend on how the market performs and how long you keep the investment. Stress scenario shows what you might get back in extreme market circumstances. However, the stress scenario does not take into account the situation, in which XTb is not able to pay out. The figures presented include all charges of the product itself, they do not take into account an individual tax situation of the investor, which may also affect how much you get back. Opening a long positions means, that the investor believes that the price of the underlying asset will increase, and opening a short position means that the investor believes that the price of the underlying asset will fall. For instance, if there is a result 8% and EUR 800 for a certain investment it means that, having invested EUR 10,000, the terminal value of the investment will amount to EUR 10,800, i.e. the profit of EUR 800. In turn, when it comes to -8% and EUR -800, having invested EUR 10,000, the terminal value of the investment will amount to 9,200 EUR, generating a loss equal to EUR 800.

Examples of scenarios for 5 CFD instruments based on cryptocurrencies for long positions during a period of 7 days:

Scenario	BITCOIN	DASH	LITECOIN	RIPPLE	ETHEREUM
Favourable	11,824% EUR 1,182,367	31,818% EUR 3,181,835	30,729% EUR 3,072,932	19,992% EUR 1,999,189	16,738% EUR 1,673,844
Moderate	2,997% EUR 299,749	6,348% EUR 634,812	2,154% EUR 215,360	4,150% EUR 415,011	2,914% EUR 291,388
Unfavourable	-100% EUR -10,000	-100% EUR -10,000	-100% EUR -10,000	-100% EUR -10,000	-100% EUR -10,000
Stress	-100% EUR -10000.00	-100% EUR -10000.00	-100% EUR -10000.00	-100% EUR -10000.00	-100% EUR -10000.00

Information regarding conditions of return for individual investors or determined upper limits of profit for the investors

Termination of the product investment does not entail any extraordinary costs. The product has no upper brackets in terms of profit for the investor.

Statement that the tax regulations of the host member state of the individual investor can affect the actually paid-out profit

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WHAT HAPPENS IF XTb IS UNABLE TO PAY OUT?

The investor can incur a financial loss related to XTb's failure to perform an obligation. In the event of XTb's insolvency, investors are entitled to claim compensation from the Financial Services Compensation Scheme ("FSCS"). The Financial Services Compensation Scheme (FSCS) is the UK's compensation fund of last resort for customers of authorised financial services firms. The FSCS was formed to provide extra protection to clients who may have incurred financial loss when FCA regulated firms are unable, or likely to be unable, to pay claims against them relating to business activity including deposits. The FSCS covers business conducted by firms authorised by the FCA. XTb clients would fall under the 'investments' claim category, whereby any funds deposited with XTb would be protected up to the value of £50,000 per person, in the event of XTb becoming insolvent. Were such an event to occur, to make a claim to the FSCS, investors would need to contact the FSCS directly at <http://www.fscs.org.uk/contact-us/>.

WHAT ARE THE COSTS?

One-off costs

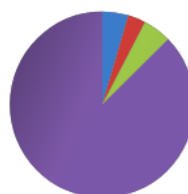
Spread	The difference between the bid and the ask price at the time of the conclusion of the transaction. The cost can be different depending on market conditions.
Commission	The fee to be charged at the opening and closing of the transaction. The fee concerns only PRO accounts.

Recurring costs

Swap Point Rates	Holding positions for another day may result in the charge of fee.
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The illustration presents the impact of costs on the cumulative effect on return of the investment. The illustration is for reference only, costs suitable for a given Financial Instruments are described in the relevant table on the XTb's [website](#)¹ and exact values are presented in cost tables.

¹<https://www.xtb.com/en/trading-services/account-information/market-specification>.



■ Commission
■ Spread
■ Swap Point Rates
■ Return on investment

EXAMPLE²

The Client opens a position having a denomination of 1 lot on BITCOIN. At the time of the opening a transaction, the market price for BITCOIN is equal to 8500/8585, and the commission charged for the transaction by broker amounts to 4 USD/lot. The value of Swap Point Rates quoted by broker is equal to -10%/-30% for short and long positions respectively.

Cost type	Nominal value	Percentage
Spread	8585 - 8500 = USD 85	1.00% of nominal value
Commission for opening a position	USD 4	0.05% of nominal value
Commission for closing a position	USD 4	0.05% of nominal value
Swap Point Rates for a short position	-10% * USD 8500 = USD -850 per year (Client's cost)	10% of nominal value
Swap Point Rates for a long position	-30% * USD 8585 = USD -2575,5 per year (Client's cost)	30% of nominal value

HOW LONG SHOULD I HOLD THE PRODUCT AND CAN I TAKE MONEY OUT EARLIER?

The investor can terminate the investment in the product at any time. Such a decision is not related to any extraordinary costs, other than standard item closure costs.

Time limit for withdrawal from the contract

The investor can withdraw from the product transaction submitting a declaration on withdrawal if the product transaction was concluded at an erroneous price and XTb confirms the error on the basis of prices of a specific number of reference Institutions. The detailed rules, including the date of withdrawal from a transaction concluded at an erroneous price and the method of determination of the erroneous price are specified in the Terms and Conditions of Service.

Recommended holding period

The investor determines the term of product holding individually. However, XTb is entitled, having met conditions specified in the Terms and Conditions, to modify the product holding term determined by the investor.

Disinvestments before maturity

The investor determines the term of product holding individually. The product has no specific holding time, and the closing a position does not entail any extraordinary fees or penalties, and it does not change the product risk profile. Closing a position is possible within the product trade hours.

Consequences of cashing in before the end of the term or recommended holding period

The investor can terminate the investment at any time. Such a decision is not related to any extraordinary costs.

HOW CAN I COMPLAIN?

The investor can submit a complaint to XTb regarding the products and services offered by XTb. Complaints regarding services provided by XTb can be lodged exclusively: (1) in person at the seat of XTb, (2) by telephone, calling: +48 22 273 99 50, (3) electronically, using the on-line form available in the investor's room and (4) via mail, using the dedicated form sent to the address of the seat of XTb. Detailed rules regarding review of complaints are specified in the Terms and Conditions of Service. Detailed information regarding the mode and principles of complaint lodging are available in the Complaint Lodging Instructions published on: <https://www.xtb.com/pl/oferta/informacje-o-rachunku/informacje-prawne/regulaminy-wzory-dokumentow>.

OTHER RELEVANT INFORMATION

All additional documents containing comprehensive information regarding the product, including detailed information regarding fees and product features, are presented on the website (including sub-pages): '<https://www.xtb.com/en/trading-services/account-information/market-specification>'.

² Exact values of the Swap Point Rates, spreads, fees & commissions are available on the XTb's website.