

## **FX Disclosures and Adherence to the Global Code (the "Disclosure")**

### **I. Preamble**

The aim of this document is to disclose Erste Group Bank AG's ("Erste Group") practices when acting as a dealer, on a principal basis, in foreign exchange ("FX") markets. Clients shall be provided with a clear picture of Erste Group's FX trading practices, including order taking, price quoting, trade execution and risk control measures. This Disclosure is provided solely as a statement of knowledge and shall not create any legal obligations or affect any other agreements.

### **II. Quoting Prices & Order Acceptance**

In quoting prices to its Clients, Erste Group is acting as a principal, taking certain risks in connection to the accepted FX orders. "Client" within this Disclosure means a participant in the wholesale market that makes a trade request on a quoted price towards Erste Group.

The rates published electronically by Erste Group are indicative. A trade request submitted to Erste Group by a Client, constitutes an offer to transact (buy/sell).

In order to manage its risk, Erste Group performs pre-trade checks before accepting a Client's request. These checks include:

- comparison of the requested price against the current market price; and
- confirmation of deal request being within operational limits, credit and settlement requirements to which Erste Group's trading is subject to.

These checks may result in a delayed acceptance or a rejection of a deal request, as referenced in this Disclosure.

Where Erste Group aims to facilitate the Client request, but at the same time seeks to avoid its market risk, Erste Group may engage in a 'cover and deal' trading practice for FX products, tenors, trading sizes. These arrangements may also be used when quoting prices subjected to 'last look' in electronic trading services.

Erste Group's decision to accept or reject a deal request from a Client depends on the execution of other offsetting transactions. Erste Group will attempt to execute these offsetting transactions in the market within a period of receiving the deal request and definitive acceptance of the Client's request (the "Last Look Window").

The last look methodology applies to a deal request at an electronically streamed price, as well as, to a request for stream/quote submitted to Erste Group electronically.

The implementation and framework of last look may differ across Clients, transaction types and platforms.

Any trade request that is ultimately rejected due to the last look methodology or similar checks is not used or does not influence any of Erste Group's other trading activities or positions.

Based on Clients' historical trading behaviors, Erste Group may implement criteria (incl. those relating to the last look methodology), where pricing may only be made available to certain Clients under predefined conditions, such as specific trading volumes, frequency, or response times. These configurations help to mitigate risks and ensure that pricing is aligned with each Client's typical trading patterns. Nevertheless, these settings are subject to ongoing review and modification, without prior notice to Erste Group's Clients.

### **III. Order Types & Order Execution**

**Regarding the orders execution**, Erste Group is undertaking orders within the operating framework as outlined in this Disclosure.

Acceptance of a Client's order indicates Erste Group's willingness of executing under the parameters set by the Client. Unless otherwise agreed, Erste Group decides in its own discretion, acting fairly and in an economic reasonable manner, whether to execute an order, which order(s) to execute as well as the timing and way of execution. Erste Group's receipt of an order or its indication of working on a received order does not create a contract between the Client and Erste Group. While Erste Group seeks to obtain the best possible outcome for its Clients, it cannot secure and it is not obligated to execute orders (or parts thereof) in any specific way.

There can be no assurance that Erste Group will be able to fill an order at the exact stated level, unless otherwise pre-agreed by both parties in writing and additionally through another recorded medium. The monitoring and controlling systems grant Erste Group the possibility to maintain an audit trail of all order fills, whether in full or partial.

- **Market Orders:** A market order will be immediately executed at the first available price in the market.
- **Limit Orders > Take Profit:** When placing a limit order, the Client acknowledges that immediate execution can be deferred in order to secure a potentially more

favourable rate than the market currently offers. If the target currency exchange rate is met, the limit order will be filled once Erste Group is prepared to deal at the Client's designated price

- **Stop-Loss Orders:** Stop-Loss Orders are set at a level less favorable than the prevailing market price and may/may not be executed immediately. Although Erste Group attempts to execute at the best available price (which may differ from the stop price due to market conditions), it cannot ensure execution at the specified price level ("stop price").
- **Partial fills:** Generally, Erste Group endeavours to execute the full size of a Client's order by using its access to liquidity via electronic trading systems. However, partial executions may occur due to market volatility, nature and size of the order, Client's instructions or the need for timely execution. Unless otherwise agreed, partial fills are presumed acceptable and Clients will be notified of any order execution without undue delay.

Erste Group quotes indicative and firm prices always as an "all-in" price to Clients, reflecting any applicable mark-ups on the underlying FX rates it can obtain through interbank or other trading channels. Erste Group's trading and sales units are not obligated to disclose the components of an "all-in" price or its anticipated revenue, except where mandated by applicable law(s).

Although the Code does not create legal or regulatory obligations, Erste Group remains firmly committed to upholding the Code's principles, recognizing that they serve as an essential supplement to already existing laws and regulatory standards. By adhering to these principles, Erste Group aims to elevate its FX trading procedures and promote consistent, equitable, and transparent market conduct.

If you have any questions related to this document or concerning Erste Group's dealings with you, we advise you to contact your Erste Group representative. The content of this Disclosure represents the current state of play as of the publication date and may be amended from time to time in response to developments in the industry, regulatory and other pertinent factors.