

# Erste Group Bank AG

Execution principles for the  
execution of client orders  
for professional clients

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# 1 Execution principles for the execution of client orders for professional clients

This is a translation, only the German version of this policy is legally binding.

## 1.1 Scope

- a. This information on the execution principles for professional clients summarizes the measures taken by Erste Group Bank AG in accordance with the provisions of the Austrian Securities Supervision Act 2018 (WAG 2018). The following execution principles apply exclusively to professional clients within the meaning of the WAG 2018 (see Annex 2.3 for the definition of professional clients).
- b. The requirements of the WAG 2018 for best execution are an important part of investor protection. They apply to investment firms that manage client portfolios or accept, transmit or execute client orders for financial instruments against themselves (a list of financial instruments covered by the WAG 2018 can be found in Annex 2.2.). Client orders for financial instruments that Erste Group Bank AG accepts or forwards for execution or transactions that Erste Group Bank AG executes as part of the management of the client portfolio are referred to below as order(s).
- c. According to WAG 2018, investment firms must take all appropriate steps when executing client orders in order to achieve the best possible result for their clients.
- d. This Execution Policy forms an integral part of the client relationship between Erste Group Bank AG and the client. The client must acknowledge and agree to the content of this Execution Policy before Erste Group Bank AG executes orders for him. Furthermore, the client shall always be deemed to have given his consent when placing orders with Erste Group Bank AG.
- e. Situations in which Erste Group Bank AG quotes tradable prices at the request of a client are classified as "request for quote" (RfQ) and not as execution of client orders. In these RfQ situations, Erste Group Bank AG is generally under no obligation to provide best execution, as it can generally assume in such cases that professional clients have sufficient experience, knowledge and expertise to make their own investment decisions and adequately assess the associated risks. It can therefore be assumed that professional clients generally do not require special protection from Erste Group Bank AG in relation to pricing or other aspects of the RfQ transaction. If this approach is clearly not appropriate for a particular client, Erste Group Bank AG will execute the client's orders in accordance with this Execution Policy.

- f. The current version of the execution principles can be found at [www.erstegroup.com/de/legal-information/mifid](http://www.erstegroup.com/de/legal-information/mifid)

## 1.2 Execution principles

The following execution principles apply:

- a. Erste Group Bank AG shall take all reasonable steps to obtain the best possible result for the execution of client orders on a consistent, but not on a single order-by-order basis. Erste Group Bank AG places orders on execution venues that it considers suitable and, when selecting the execution venue, takes into account the execution factors that enable Erste Group Bank AG to achieve the best possible result for the client. The execution venues are Regulated Markets (RMs), Multilateral Trading Facilities (MTFs), Organized Trading Facilities (OTFs), Systematic Internalizers (SIs) or other liquidity providers.
- b. When executing client orders, Erste Group Bank AG takes into account the client's classification as a professional client.
- c. If a client issues explicit instructions, Erste Group Bank AG will execute the client order in accordance with these explicit instructions (see section 1.8). The client should note that this may prevent Erste Group Bank AG from achieving the best possible result in respect of the aspects of the order to which the explicit instructions relate.
- d. Erste Group Bank AG forwards orders as a commission agent to an intermediary for execution (see section 1.6) or executes orders itself directly at an execution venue (see section 2.1) or against its own book. In specific business cases agreed with the client, Erste Group Bank AG may execute any non-tradable part of a stock exchange order (fractions<sup>1</sup>) against its own book.
- e. Erste Group Bank AG applies a standardized selection procedure when selecting intermediaries. Erste Group Bank AG regularly reviews whether the execution principles and procedures of the intermediaries are in line with the principles of best execution of orders in accordance with WAG 2018 and takes corrective measures if necessary (for detailed information see section 1.6).
- f. Erste Group Bank AG reviews its execution policy at least once a year (see section 1.12). Clients are informed of any changes to this execution policy.
- g. Upon request, Erste Group Bank AG will demonstrate to its clients that their orders have been executed in accordance with Erste Group Bank AG's best execution policy or explicit client instructions.

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<sup>1</sup> Fractions of securities are units that are smaller than the smallest tradable unit of the respective security.

## 1.3 Execution principles per class of financial instruments

### 1.3.1 General

- a. The choice of an execution venue can have a direct impact on the best possible result that Erste Group Bank AG achieves when executing client orders.
- b. A list of the execution venues at which Erste Group Bank AG executes orders can be found in Appendix 2.1, the selection criteria and risks are explained in more detail in paragraph 1.4. When selling, the depository determines at which execution venue or execution venues the sale can be executed.
- c. If local rules stipulate that the executing entity (Erste Group Bank AG or an intermediary) has to execute across several local trading venues at the respective best possible price, the term execution venue is to be understood as a summary of all these trading venues. Such constellations are marked accordingly in Annex 2.1.

### 1.3.2 Shares and exchange-traded funds (ETFs)

- a. Orders in equities and ETFs are either forwarded directly or via intermediaries to the respective execution venues for execution or traded on own account via an internal execution venue (systematic internalization).
- b. Erste Group Bank AG generally executes orders in shares or ETFs as a commission agent. As shares are in principle subject to the trading venue obligation pursuant to Article 23 of Regulation EU No. 600/2014, Erste Group Bank AG executes orders in these financial instruments at those trading venues where the best possible result is regularly achieved. For certain specifically defined shares, Erste Group Bank AG may systematically execute client orders for its own account. The shares offered and current prices are quoted by Erste Group Bank AG itself and published on the website <https://www.erstegroup.com/de/legal-information/mifid/siquotes>. Erste Group Bank AG complies with the rules applicable to systematic internalization, whereby the principles of best execution are also ensured. The execution of an order against Erste Group Bank AG as systematic internalizer is accessible by placing an order via Erste Smart Order Routing ("ERSTE SMART"). If "ERSTE SMART" is selected, the order is executed against Erste Group Bank AG – provided that it can be traded immediately and at better or the same conditions (price & costs) for the client than at the calculated best possible execution venue.
- c. Erste Smart is also available for instruments in which Erste Group Bank AG is not a systematic internaliser. These orders are forwarded to an execution venue that is open at the time of the order.
- d. For orders over EUR 500,000 equivalent or in illiquid instruments where the order could influence the market price to the detriment of the client, it is permissible to use alternative trading venues and trading

supplements in order to achieve the best possible execution result (in particular with regard to costs and price). Such an execution venue may differ from the original trading venue when the order is placed.

- e. Client orders in fractional<sup>2</sup> shares or ETFs are always executed against Erste Group Bank AG.

### 1.3.3 Bonds

- a. Bonds are mainly traded on the basis of RfQs (see section 1.1 e).
- b. Bonds are executed either as a commission transaction on an execution venue or for own account against own book (systematic internalization).
- c. If bonds are traded via a multilateral trading facility, the order is executed at the best possible price available via the multilateral trading facility.
- d. As part of its function as a systematic internalizer, Erste Group Bank AG offers the possibility of directly buying or selling interest-bearing securities, including zero-coupon bonds, at current market prices.
- e. For orders over EUR 500,000 equivalent or in illiquid instruments where the order could influence the market price to the detriment of the client, it is permissible to use alternative trading venues and trading supplements in order to achieve the best possible result (in particular with regard to costs and price). Such an execution venue may differ from the original execution venue when the order is placed.
- f. Bonds and other interest-bearing securities are primarily traded by Erste Group Bank AG for its own account (principal business). Thus, we typically act as counterparty to our professional clients in bond and other interest-bearing securities transactions. Consequently, Erste Group Bank AG does not act as a commission agent or trustee in these cases. Accordingly, Erste Group Bank AG may act before, during or after your transactions, for example, to execute other client transactions, to hedge against market risks in connection with our market making activities, to reduce or close out market risks from other client business, as part of a previously initiated strategy or to facilitate purchases and/or settlements of newly issued securities (including those issues where we are part of the underwriting syndicate).

### 1.3.4 Investment funds

- a. The issue and redemption of units in domestic investment funds and real estate investment funds as well as units in foreign investment funds whose distribution is permitted in Austria via a custodian bank does not constitute best execution of client orders in the aforementioned sense under the WAG 2018 and is therefore not subject to the best execution principles.
- b. In addition, Erste Group Bank AG executes orders as commission agent for the purchase or sale of shares in investment funds via a trading venue on the instructions of the client, which are subject to these execution principles.

<sup>2</sup> Fractions of securities are units that are smaller than the smallest tradable unit of the respective security.

### 1.3.5 Certificates and warrants

- a. Erste Group Bank AG offers the purchase of certificates and warrants as commission business on trading venues or outside trading venues.
- b. As part of its function as a systematic internalizer, Erste Group Bank AG offers the opportunity to buy or sell certificates directly at current market prices. Erste Group Bank AG systematically executes client orders for its own account. The current market prices are quoted by Erste Group Bank AG. Erste Group Bank AG primarily offers its own certificates as well as certificates of selected issuers at its own internal execution venue. Erste Group Bank AG complies with the rules applicable to systematic internalization.
- c. Erste Group Bank AG trades instruments directly with an issuer if the issuer offers a better overall result for the client or a higher likelihood of execution.

### 1.3.6 Exchange-traded derivatives

- a. Exchange-traded derivatives (ETDs) are standardized derivative contracts, such as options and futures, which are traded on a regulated market (RM).
- b. ETDs can be concluded on various underlyings, such as shares, interest rates, currencies or commodities.
- c. Erste Group Bank AG has direct market access to Eurex, as well as direct access to the Warsaw Stock Exchange and the Budapest Stock Exchange via the subsidiaries of Erste Group Bank AG. Other markets are connected via intermediaries.

### 1.3.7 Over-the-counter derivatives

- a. These are over-the-counter (OTC) transactions agreed individually between the client and Erste Group Bank AG at a fixed price or traded on an MTF or OTF.
- b. Over-the-counter derivatives can be concluded on various underlyings, such as interest rates, currencies or commodities.
- c. The valuation of the parameters of the client order executed outside a trading venue is carried out by Erste Group Bank AG before the transaction is concluded. Erste Group Bank AG uses current reference prices and appropriate valuation methods.

## 1.4 Execution factors per class of financial instruments

### 1.4.1 General

- a. Erste Group Bank AG takes various factors into account when selecting the execution venue in order to achieve the best possible execution:
  - Price
  - Costs
  - Likelihood of execution
  - Other relevant factors.
- b. The costs taken into account by Erste Group Bank AG include, for example, the costs of the execution venue, taxes, fees charged by intermediaries or clearing and settlement fees.
- c. Further information on the execution criteria, their significance and the description of the market environment for each product class are explained below. Execution criteria are weighted according to priority, meaning that criteria with a higher priority are described first.

### 1.4.2 Shares

- a. Shares are primarily traded on a trading venue or on own account via an internal execution venue (systematic internalization). The following execution factors are used by Erste Group Bank AG in order to achieve the best possible result for the client:

Factor	Description
Likelihood of execution	In order to ensure the highest possible likelihood of execution, Erste Group Bank AG takes into account the different trading volumes at the respective execution venues to estimate the likelihood of execution.
Costs	Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes.
Qualitative factors	Erste Group Bank AG also considers qualitative factors such as secure and fast system connections, reliability of execution, reliability of clearing systems and available emergency procedures.
Price	Erste Group Bank AG compares which of the various trading venues regularly achieve the best possible result in terms of the traded price.

### 1.4.3 Exchange Traded Funds (ETFs)

- a. ETFs are primarily traded on a trading venue. The following execution factors are used by Erste Group Bank AG in order to achieve the best possible result for the client:

Factor	Description
Costs	Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes.
Likelihood of execution	In order to ensure the highest possible likelihood of execution, Erste Group Bank AG takes into account the different trading volumes at the respective execution venues to estimate the best possible likelihood of execution.
Price	Erste Group Bank AG compares which of the various trading venues regularly achieve the best possible result in terms of the traded price.

### 1.4.4 Bonds

- a. Bonds are primarily traded via an execution venue or against the own book. As described in the chapter 1.3.3, if bonds are traded via a multilateral trading facility, the order is executed at the best possible price available via the multilateral trading facility.
- b. The following execution factors are used by Erste Group Bank AG to achieve the best possible result for the client:

Factor	Description
Costs	Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes.
Qualitative factors	Erste Group Bank AG also considers qualitative factors such as secure and fast system connections to execution venues and intermediaries, reliability of execution, reliability of clearing systems and available emergency procedures.

### 1.4.5 Investment funds

- a. Client orders in investment funds are primarily settled directly via the custodian bank or indirectly via a fund trading platform with the respective investment company.
- b. If client instructions expressly instruct the order to be placed at a trading venue specified by the client, the order will be forwarded to the trading venue instructed by the client for execution.

### 1.4.6 Certificates and warrants

- a. Certificates and warrants are traded via trading venues or directly with the issuer, as this achieves the best overall price for the client.
- b. Erste Group Bank AG annually compares the total costs incurred for order execution at the various execution venues in order to regularly achieve the best possible result.

Factor	Description
Costs	Erste Group Bank AG takes into account all costs that the client may incur in the course of order execution. These include, for example, the costs of trading venues, intermediaries, clearing systems, settlement fees and stock exchange taxes.
Qualitative factors	Erste Group Bank AG also considers qualitative factors such as secure and fast system connections to execution venues and intermediaries, reliability of execution, reliability of clearing systems and available emergency procedures.

### 1.4.7 Exchange-traded derivatives

- a. Orders in futures and options are generally traded on the trading venue on which the financial instrument is listed.

### 1.4.8 Over-the-counter derivatives

- a. The parameters of the client order are evaluated by Erste Group Bank AG before the transaction is concluded. Erste Group Bank AG uses current reference prices and appropriate valuation methods and provides information about any risks, such as the counterparty's default risk.

## 1.5 Primary market

- a. Erste Group Bank AG offers shares, bonds, warrants and certificates of its own and selected third-party issues (by way of commission business) for subscription or purchase at a fixed (issue) price.



## 1.6 Intermediaries

- a. If Erste Group Bank AG does not use direct market access, Erste Group Bank AG uses intermediaries to execute the respective client orders.
- b. Erste Group Bank AG only selects intermediaries that offer a high quality of service and effective arrangements for the best possible execution of orders in order to ensure the best possible execution on a consistent basis.
- c. The choice of intermediaries can have an impact on the execution price and the execution costs and thus on the total costs. The total cost of execution factor is therefore an important criterion in the selection process for intermediaries.

## 1.7 Costs and third-party fees

In general, different fees may be charged for the execution of client orders, which are explained below.

- a. Trading venue fees: These are the published fees of the respective trading venue, which are incurred for direct market access, but also for execution via an intermediary.
- b. Intermediary commissions: If Erste Group Bank AG does not have direct market access, fees are charged by the intermediaries that provide market access.
- c. Settlement fees: Settlement fees are fees charged by external settlement and custody agents that may be incurred for the settlement or custody of executed financial instruments.
- d. Exchange taxes: These can be incurred both for a trading venue and only for individual financial instruments.
- e. Erste Group Bank AG fees: These are shown as own expenses.

## 1.8 Explicit client instructions

- a. If the client gives explicit instructions in relation to the execution venue or other aspects of the order, Erste Group Bank AG will execute the order in accordance with those explicit client instructions. The client should note that this may prevent Erste Group Bank AG from achieving the best possible result in respect of those aspects of the order to which the explicit instructions relate.
- b. In the absence of explicit instructions from the client, Erste Group Bank AG shall execute the order in accordance with its best execution policy.

## 1.9 Direct market access

- a. If a client executes orders via the Erste Group Bank AG Direct Market Access (DMA) system, the client has the option of determining one or more characteristics of the order execution (such as price, volume, execution venue or timing) himself, which is equivalent

to an explicit instruction from the client. If a client determines all characteristics of the execution, Erste Group Bank AG has no possibility of ensuring the best possible result in the execution of the order concerned. In this case, Erste Group Bank AG acts on behalf of the client by providing the DMA Service, but is exempt from the obligation to achieve the best possible result for the client.

- b. If only some of the execution characteristics are determined by the client, Erste Group Bank AG shall execute the order in accordance with its best execution principles as far as the remaining characteristics are concerned.

## 1.10 Aggregation and allocation of orders

- a. Erste Group Bank AG reserves the right to combine orders from clients with orders from other clients. Orders will only be combined if this combination is not expected to be disadvantageous for the client.

## 1.11 System failures and other unforeseen events

- a. In the event of unforeseen events, e.g. system failures, Erste Group Bank AG may be forced to choose other types of order execution than those specified in the best execution policy. Even in these cases, Erste Group Bank AG will try to achieve the best possible execution. In the context of trading restrictions, individual exchanges may no longer be available for ordering.

## 1.12 Review of the execution principles

- a. Erste Group Bank AG takes all appropriate precautions to achieve the best possible result in the execution of client orders on a consistent, but not on a single order-by-order basis.
- b. The selection of execution venues based on these principles is reviewed annually by Erste Group Bank AG. In addition, a review is carried out if there are indications that key criteria in favor of a particular execution venue are no longer valid.
- c. Erste Group Bank AG has developed procedures and methods to review the execution quality achieved. The basis for the review is the execution factors per class of financial instruments, which were mentioned in section 1.4. The best possible execution venue for a specific financial instrument is based on a numerical scoring model. The individual execution factors are assessed with different weightings and evaluated using the scoring model. The execution venue with the highest score is generally determined as the best possible execution venue.
- d. Erste Group Bank AG reviews the appropriateness of the price of over-the-counter derivatives. Erste Group Bank AG regularly incorporates external market data into the valuation methods and review processes developed for this purpose.

## 2 Appendix

### 2.1 Execution venues

Country	Execution venue	Connection
Austria	Erste Group Bank AG	Own connection Erste Group <sup>3</sup>
Austria	Vienna Stock Exchange	Own connection Erste Group <sup>3</sup> or intermediary
Germany	Frankfurt Stock Exchange	Own connection Erste Group <sup>3</sup> or intermediary
Germany	Xetra Frankfurt	Own connection Erste Group <sup>3</sup> or intermediary
Croatia	Zagreb Stock Exchange	Own connection Erste Group <sup>3</sup>
Netherlands	MTF Bloomberg Trading Facility	Own connection Erste Group <sup>3</sup>
Netherlands	MTF MarketAxess NL	Own connection Erste Group <sup>3</sup>
Poland	Warsaw Stock Exchange	Own connection Erste Group <sup>3</sup>
Romania	Bucharest Stock Exchange	Own connection Erste Group <sup>3</sup>
Serbia	Belgrade Stock Exchange	Own connection Erste Group <sup>3</sup>
Slovak Republic	Bratislava Stock Exchange	Own connection Erste Group <sup>3</sup>
Slovenia	Ljubljana Stock Exchange	Own connection Erste Group <sup>3</sup>
Czech Republic	Prague Stock Exchange	Own connection Erste Group <sup>3</sup>
Hungary	Budapest Stock Exchange	Own connection Erste Group <sup>3</sup>
USA	MTF Tradeweb	Own connection Erste Group <sup>3</sup>
Worldwide	Issuers	Own connection Erste Group <sup>3</sup> or intermediary
Worldwide	Investment companies	Own connection Erste Group <sup>3</sup> or intermediary
Australia	ASX - TRADE24	Intermediaries
Australia	Australian Securities Exchange	Intermediaries
Belgium	Euronext Brussels	Intermediaries
Bosnia and Herzegovina	Banja Luka Exchange	Intermediaries
Brazil	B3	Intermediaries
Bulgaria	Bulgarian Stock Exchange	Intermediaries
Chile	Bolsa de Comercio de Santiago de Chile	Intermediaries
China	Shanghai China Stock Connect	Intermediaries
China	Shenzhen China Stock Connect	Intermediaries
Denmark	NASDAQ OMX-Copenhagen	Intermediaries
Germany	Berlin Stock Exchange	Intermediaries
Germany	Düsseldorf Stock Exchange	Intermediaries
Germany	Hamburg Stock Exchange	Intermediaries

<sup>3</sup> This includes connections via Erste Group Bank AG Bank AG, including its subsidiaries and branches, but not limited to Ceska Sporitelna A. S., Slovenska Sporitelna A. S., Erste Befektetési Zrt, Banca Comerciala Romania S. A., Erste Bank a. d. Novi Sad, Erste&Steiermärkische Bank d. d., Erste Securities Polska S. A. and their EU branches and subsidiaries.



Country	Execution venue	Connection
Germany	Hanover Stock Exchange	Intermediaries
Germany	Munich Stock Exchange	Intermediaries
Germany	Stuttgart Stock Exchange	Intermediaries
Germany	Gettex Exchange	Intermediaries
Germany	Tradegate	Intermediaries
Estonia	NASDAQ OMX-Tallinn	Intermediaries
Finland	NASDAQ OMX-Helsinki	Intermediaries
France	NYSE Euronext-Paris	Intermediaries
Greece	Athens Stock Exchange	Intermediaries
Great Britain	ICE Futures Europe	Intermediaries
Great Britain	London Stock Exchange	Intermediaries
Hong Kong	Hong Kong Futures Exchange	Intermediaries
Hong Kong	Hong Kong Stock Exchange	Intermediaries
India	Bombay Stock Exchange	Intermediaries
India	India Commodity a. Derivatives Exchange	Intermediaries
Indonesia	Indonesia Stock Exchange	Intermediaries
Ireland	Irish Stock Exchange	Intermediaries
Israel	Tel Aviv Stock Exchange	Intermediaries
Italy	Borsa Italiana	Intermediaries
Italy	Italian Derivatives Market	Intermediaries
Japan	OSAKA FUTURES ETD	Intermediaries
Japan	Tokyo Stock Exchange	Intermediaries
Canada	Montreal	Intermediaries
Canada	Summarized according to 1.3.1 c <sup>4</sup>	Intermediaries
Latvia	NASDAQ OMX-Riga	Intermediaries
Lithuania	NASDAQ OMX-Vilnius	Intermediaries
Luxembourg	Borse de Luxembourg	Intermediaries
Malaysia	Bursa Malaysia	Intermediaries
Mexico	MEX Bolsa	Intermediaries
Mexico	Mexican Stock Exchange	Intermediaries
Montenegro	Montenegro Stock Exchange	Intermediaries
New Zealand	New Zealand Stock Exchange	Intermediaries
Netherlands	Cboe Europe Equities	Intermediaries
Netherlands	Euronext Amsterdam	Intermediaries

<sup>4</sup> For the marketplace Canada or Canada/USA, our intermediary can (partially) execute both in Canada and on US stock exchanges due to its setup for Canadian share orders in the case of dual listing. This procedure is in line with the principles of best execution and ensures best execution.

Country	Execution venue	Connection
Norway	Euronext Oslo Bors	Intermediaries
Philippines	Philippine Stock Exchange	Intermediaries
Portugal	NYSE Euronext-Lisbon	Intermediaries
Russia	Moscow Exchange	Intermediaries
Sweden	NASDAQ Stockholm	Intermediaries
Switzerland	BX Swiss	Intermediaries
Switzerland	SIX Swiss Exchange	Intermediaries
Singapore	Singapore Exchange Derivatives	Intermediaries
Singapore	Singapore Stock Exchange	Intermediaries
Spain	Bolsa de Madrid	Intermediaries
Spain	MEFF Derivatives	Intermediaries
Spain	MEFF RENTA Variable	Intermediaries
South Africa	Johannesburg Stock Exchange	Intermediaries
South Africa	South African Futures Exchange	Intermediaries
South Korea	Korea Exchange	Intermediaries
Taiwan	Taiwan Stock Exchange	Intermediaries
Thailand	Thailand Futures Exchange	Intermediaries
Thailand	The Stock Exchange of Thailand	Intermediaries
Turkey	Borsa Istanbul	Intermediaries
USA	CBOE FUTURES EXCHANGE	Intermediaries
USA	CHICAGO BOARD OF TRADE - CBOT EMINI	Intermediaries
USA	CHICAGO BOARD OF TRADE - ECBOT	Intermediaries
USA	CME EMINI	Intermediaries
USA	COMEX Commodities Exchange Center	Intermediaries
USA	ICE Futures US Commodities	Intermediaries
USA	ICE Futures US Financials	Intermediaries
USA	NEW YORK MERCANTILE EXCHANGE	Intermediaries
USA	Summarized according to 1.3.1 c <sup>5</sup>	Intermediaries

<sup>5</sup> For the US marketplace, our intermediary executes in accordance with local regulations at the national best possible price across multiple US trading centers.

## 2.2 Definition of financial instruments

Source: MiFID II (Directive 2014/65/EU), Annex I Section C

1. transferable securities
2. money market instruments
3. units in undertakings for collective investment
4. options, futures, swaps, forward rate agreements and all other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivative instruments, financial indices or measures that can be effectively delivered or settled in cash.
5. options, futures, swaps, forwards and all other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties without a default or other termination event.
6. options, futures, swaps and any other derivative contracts relating to commodities which can be physically settled, provided that they are traded on a regulated market, MTF or OTF, with the exception of wholesale energy products traded on an OTF which must be physically settled.
7. options, futures, swaps, forwards and any other derivative contracts relating to commodities which can be physically settled, which are not otherwise referred to in point 6 of this Section and which are not for commercial purposes and which have the characteristics of other derivative financial instruments.
8. derivative instruments for the transfer of credit risks
9. financial contracts for differences
10. Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties without a default or other termination event, and all other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this section and which have the characteristics of other derivative financial instruments, taking into account, inter alia, whether they are traded on a regulated market, an OTF or an MTF.
11. emission allowances consisting of units recognized as complying with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

## 2.3 Glossary

### Execution venue

Included:

- Trading venues (RM, MTF, OTF)
- Systematic internalizers (SI)
- Securities trader
- Other liquidity providers

### Regulated Market (RM)

A multilateral system operated and/or managed by a market operator that brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments within the system and under its non-discretionary rules in a way that results in a contract in respect of financial instruments that have been admitted to trading under the rules and/or systems of the market, and has been authorized and is functioning properly.

### Trading center

A trading venue is a regulated market, an MTF or an OTF.

### Multilateral Trading Facility (MTF)

A multilateral system operated by an investment firm or market operator that brings together multiple third-party buying and selling interests in financial instruments within the system and under non-discretionary rules in a way that results in a contract, but which is not a regulated market.

### Organized Trading Facility (OTF)

A multilateral system operated by an investment firm or market operator that brings together multiple third-party buying and selling interests in debt securities, structured finance products, certificates or derivatives within the system in a way that results in a contract, and which is not a regulated market or MTF.

### Retail client

Is a client who is not a professional client or an Eligible Counterparty.

### Professional client

A professional client is a client who has sufficient experience, knowledge and expertise to be able to make his own investment decisions and appropriately assess the associated risks.

### Systematic internalizer (SI)

An investment firm which, on an organized, frequent and systematic basis, deals on own account on a substantial scale when executing client orders outside a regulated market or an MTF or OTF without operating a multilateral system.

### Securities dealer (market maker)

A company that continuously makes offers to buy and sell financial instruments on the financial markets and trades in these instruments for its own account and using its own capital at the quoted buying and selling prices.

### Intermediary

An intermediary is a company that forwards orders to specific execution venues for execution.

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