



# Information about us and our securities services

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Information for customers (last updated: April 2025)

Pursuant to the Austrian Securities Supervision Act (WAG 2018), we are required to provide you with the following information about us and our securities services.

## A. Information about us

Erste Group Bank AG  
Am Belvedere 1  
A-1100 Vienna

### Central switchboard

Tel.: +43 (0)5 0100 - 10100  
Fax: +43 (0)5 0100 9 - 10100  
email: [contact@erstegroup.com](mailto:contact@erstegroup.com)

### Registered office: Vienna

FN: 33209 m  
Commercial Court: Vienna  
VAT ID No.: ATU15361506  
Swift Code/BIC: GIBAATWGXXX  
Bank routing number: 20100  
License: licensed credit institution pursuant to sec. 1 of the Austrian Banking Act

### Responsible supervisory authorities

**European Central Bank**  
Sonnemannstraße 22  
D-60314 Frankfurt/Main  
<https://www.bankingsupervision.europa.eu/home/html/index.en.html>

### Financial Market Authority

Otto-Wagner-Platz 5,  
A-1090 Vienna,  
[www.fma.gv.at](http://www.fma.gv.at)

### Chamber/Trade association

Austrian Federal Economic Chamber, Banking Division  
Wiedner Hauptstraße 63, A-1040 Vienna,  
[www.wko.at](http://www.wko.at)

### Legal provisions

The principal legal provisions are the Austrian Banking Act (article 65a Bankwesengesetz, BWG), the Austrian Securities Supervision Act (Wertpapieraufsichtsgesetz, WAG), and the Austrian Savings Bank Act (Sparkassengesetz, SpG), in each case as amended ([www.ris.bka.gv.at](http://www.ris.bka.gv.at)).

EU Commission platform for online dispute resolution  
[www.ec.europa.eu/consumers/odr](http://www.ec.europa.eu/consumers/odr)

### Publication pursuant to article 65a of the Austrian Banking Act (BWG)

Publication of Erste Group Bank AG regarding corporate governance and remuneration pursuant to article 65a of the Austrian Banking Act (BWG)

## B. Additional information pursuant to the Austrian Media Act

Media owner and publisher: Erste Group Bank AG  
Business purpose: Credit institution  
<https://www.erstegroup.com/en/legal-information/imprint>

### Links

On its website, Erste Group Bank AG hosts links to other websites. Erste Group Bank AG does not review such websites with respect to their content or lawfulness. Erste Group Bank AG has no influence over the design of such websites and expressly disavows any unlawful content that may be depicted there. Moreover, Erste Group Bank AG assumes no responsibility or liability for such content.

### Emails

Please be advised that, in conformity with the Austrian E-Commerce Act, emails sent to us are downloaded only during normal banking hours.

### Languages

You can communicate with us in the following languages: German or English.

### Data protection

All personal data is handled by us in accordance with the Austrian Data Protection Act General Data Protection Regulation).

### Annual report

The consolidated annual report of Erste Group Bank AG can be downloaded from our website as a PDF document as of the second quarter of the subsequent financial year: [www.erstegroup.com](http://www.erstegroup.com)

# Deposit guarantee and investor compensation

## WAG information package

The respective valid version of "Information about us and our securities service" of Erste Group Bank AG can be found under: <https://www.erstegroup.com/en/legal-information/mifid>

## C. Deposit guarantee and investor compensation

### C.1. Deposit guarantee

As of 1 January 2019, the joint liability scheme (Haftungsverbund) was recognised as a deposit guarantee and investor compensation scheme. The joint liability scheme serves as an additional security net provided by Erste Bank and Sparkassen, making the statutory deposit guarantee and investor compensation scheme of Sparkassen Group even safer. The joint liability scheme uses its best endeavours to prevent guaranteed events and ensure that customer deposits are safely invested. The early detection system, for example, has been set up to ensure a swift response whenever a savings bank experiences any financial distress. In a guaranteed event, Sparkassen-Haftungs GmbH is charged with reimbursing the deposits covered by law and undertaking the investor compensation obligations as provided by law.

#### Which deposits are covered by the guarantee?

The guarantee covers deposits of up to EUR 100,000 per customer and bank. For joint accounts, this limit generally applies for each and every customer. In exceptional cases, a higher deposit guarantee of up to EUR 500,000 is applicable over a maximum period of 12 months – for example, for severance payments or private real estate sales. The guarantee also covers deposits held in any foreign currency.

#### Who is covered by the deposit guarantee?

Generally, all customers, no matter whether they are retail or commercial customers. Excepted are financial institutions, pension and fixed-income funds and government agencies (federal government, province and municipality, etc.).

#### Which accounts are covered by the deposit guarantee?

- savings accounts and passbooks
- current accounts
- securities settlement accounts
- building society savings accounts

#### Which accounts are not covered by the deposit guarantee?

As in the past, the guarantee does not cover

- securities accounts that are guaranteed up to an amount of EUR 20,000 under the investor compensation scheme
- deposits of institutional customers, including banks, insurers, investment companies, pension and retirement funds
- deposits of the federal, regional and municipal governments

#### What qualifies as a guaranteed event?

The deposit guarantee protects your funds when your savings are not paid out by the bank, because:

- the credit institution is subject to bankruptcy proceedings,
- receivership has been granted,
- payments have been suspended or
- the Financial Market Authority has established that a credit institution is unable to repay deposits for financial reasons and there is currently no prospect that it will be able to do so in the future.

#### What is the payout procedure when a guaranteed event occurs?

In addition to other financing instruments, funds are used for the payout. Generally, a compensation payment is made without specifically having to apply for it. The payment is made within seven business days. Depositors receive a registered letter made out to their name containing the access credentials for a web form and can transfer the deposits to themselves at their discretion.

#### What is the savings banks joint liability scheme?

The Agreement in Principle for the joint liability scheme which has been signed by all Austrian savings banks stipulates an early detection system that allows a swift response whenever a savings bank experiences any financial distress. Whereas statutory entitlement to compensation is merely a fallback solution, the joint liability scheme allows us savings banks to vouch for each other's going concern using our economic substance. This way, we ensure the solvency of savings banks and counteract cases where compensation would become payable.

## C.2. Statutory investor compensation

### Which claims are covered by investor compensation?

In general, all claims against the credit institution arising from the

- safeguarding and management of securities for others (custodial business)
- the credit institution's trading in money market instruments, financial futures contracts, interest rate futures, forward rate agreements, interest, currency and equity swaps, securities, and instruments derived from them
- the credit institution's participation in third-party securities issues (third-party securities underwriting business)
- acceptance and investment of severance payment contributions and self-employed pension insurance contributions (occupational pension insurance business)
- discretionary management of portfolios on an individual customer basis within the scope of a customer's authorisation, provided that the customer's portfolio contains one or more financial instruments (securities services pursuant to sec. 1[3] WAG 2018).

Securities in a customer's securities account are merely held in the bank's safekeeping. They are owned by the customer and must be turned over at any time at the customer's request or transferred to any other securities account indicated by the customer. If, contrary to expectations, this becomes impossible, investor compensation becomes payable. The affected securities are guaranteed up to a maximum value of EUR 20,000.

As a legal entity, you receive 90% of the claimed amount – but again a maximum of EUR 20,000. The deposit guarantee covers any credit balance in the account, including a balance resulting from the payment of dividends from securities settlement accounts.

### How is the amount of the claim calculated?

The amount of the claim is determined based on the market value of the securities at the time default occurs.

### Is there a deductible?

For investors who are not natural persons, the deposit guarantee scheme's payment obligation is limited to 90% of the claim associated with securities transactions per investor (sec. 47[1] of the Austrian Deposit Guarantee and Investor Compensation Act, ESAEG). In other words, unlike with the deposit guarantee, a deductible of 10% is applicable.

### When do I receive my money in the event of default?

Investor compensation claims must be paid out no later than three months after the deposit guarantee scheme has determined the amount and the entitlement. In certain cases, payment may be suspended.

### Do I have to file an application for compensation?

Yes. It is necessary to apply with the deposit guarantee scheme in order to assert investor compensation claims. In addition, an investor must prove their identity. In the event of default, an appropriate form will be made available on the deposit guarantee scheme's website.

### Is there a deadline for filing the application?

Yes. Investor compensation claims must be lodged with the deposit guarantee scheme no later than one year after default has occurred.

### What can I do if I miss this deadline?

If you were unable to file your application on time through no fault of your own (e. g. illness, business travel) and can provide proof of this to the deposit guarantee scheme, you can file an application even after expiration of the aforementioned deadline.

### The essential differences between deposit guarantee and investor compensation:

	Deposit guarantee	Investor compensation
Maximum payout:	EUR 100,000 in certain cases EUR 500,000 (sec. 12 ESAEG)	EUR 20,000
Deductible:	No	For non-natural persons, 10%
Payment deadline:	7 business days	3 months
Customer application necessary:	No Exception: covered deposits that are limited in time (sec. 12 ESAEG)	Yes

You will find additional information about the deposit guarantee and investor compensation online at

<https://www.erstegroup.com/en/legal-information/deposit-guarantee>.

Follow the same link to view the full text of the Austrian Deposit Guarantee and Investor Compensation Act (ESAEG).

# Safekeeping of customer assets and information on bail-ins

## C.3. Savings banks joint liability scheme

The joint liability scheme is a voluntary agreement between Erste Bank, Erste Group Bank AG and all Austrian savings banks. The centrepiece of the agreement is an early detection system that identifies any financial problems experienced by members and takes early measures to remedy the situation. In the joint liability scheme, we – the savings banks – vouch for each other's going concern using our economic substance. This way, we ensure the solvency of savings banks and counteract cases where compensation would become payable.

The main tasks of the joint liability scheme consist in

1. establishing a consistent business and market policy that includes the following areas: planning and development and consistent implementation of sector products and services, bundling of essential processing functions, standardisation of the image and marketing strategy, coordinated marketing planning and
2. operating an early detection system that identifies any financial problems experienced by members early on and provides expedient help to resolve the financial issues as well as joint risk assessment, risk measurement and risk control methods.

Cooperation among the members of the Sparkassen Group provides benefits for all customers. We have pulled together not only to form the joint liability scheme but also to forge an alliance for product development, sales and marketing. Our customers get to make the most of the wide-ranging and modern lineup of financial services and the joint technical progress achieved within the Sparkassen Group. The joint liability scheme thus ensures a broad range of financial services outside of urban agglomerations, and helps to provide banking services in rural regions.

## D. Safekeeping of customer assets and information on bail-ins in the event of bank resolution or recovery proceedings

### D.1. Securities and securitised derivatives purchased in Austria

Securities and securitised derivatives purchased in Austria are routinely held in custody in Austria, with a third-party custodian commissioned by Erste Group Bank AG. They are usually held in a custody account at OeKB CSD GmbH (Central Securities Depository, subsidiary of Oesterreichische Kontrollbank AG) or at another credit institution authorised to act as a custodian. When securities and securitised derivatives are held in Austria, this generally takes the form of collective custody. This does not interfere with the customer's rights, since, in particular, the scope of the customer's securities holdings can be determined at any time. Austrian law is applicable to custody in Austria.

### D.2. Securities purchased abroad

Securities and securitised derivatives are routinely held in custody abroad with a third-party custodian commissioned by Erste Group Bank AG. When securities are held abroad, this generally takes the form of depository and derivative products custody, where depositor has no claim to ownership but only to delivery of equivalent securities (Wertpapierrechnung). In this case, the customer is credited with a claim to delivery of that share of securities held by Erste Group Bank AG for the customer's account out of the total portfolio held abroad. When securities are held in custody abroad, foreign laws and practices apply.

### D.3. Liability of Erste Bank

In connection with securities custody, Erste Group Bank AG is liable to retail customers for fault committed by a third-party custodian in accordance with the principles of vicarious liability under sec. 1313a of the Austrian Civil Code (Allgemeines Bürgerliches Gesetzbuch, ABGB) to the same extent as for its own negligence.

## D.4. Banking secrecy

We are obliged by law to comply with banking secrecy. This means that we are generally not allowed to provide information to foreign issuers that request disclosure of shareholders and holders of debt securities, since, depending on national laws, this could cause them to incur detriments, such as loss of dividends, withdrawal of voting rights and restrictions on negotiability. However, due to the national implementation of the Shareholder Rights Directive II (Directive (EU) 2017/828), Austrian listed companies have the right to identify their shareholders if they hold at least 0.5% of the company's shares or voting rights. For requests from listed companies in other member states, the respective threshold of the country of domicile applies. Correspondingly, the securities depository banks are obliged to actually provide this information to the public limited company. However, this obligation to notify is effective only if the shareholding of a shareholder reaches or exceeds the threshold of the respective country of domicile of the issuer (Austria: 0.5%).

In the course of custody account management and order placement, we must disclose data to custodians as required by the respective competent supervisory authorities, tax authorities, central securities depositories or registrars for regulatory or tax purposes, or in order to safeguard dividend and/or shareholder rights outside the EU, and to prevent lock-ups or to enforce/provide instructions related to corporate action orders or to prevent money laundering or terrorist financing outside the EU. These data are, in particular, customer name, address, shareholding on the reporting date, customer type.

## D.5. Custody in omnibus accounts

Third parties entrusted with custody services by the bank routinely hold customer securities in what are known as "omnibus accounts", where the securities of several customers are recorded in a shared account. As a result, the securities can no longer be directly identified as belonging to a specific customer as the customer becomes co-owner of a collective holding. If, by way of exception, the account no longer holds sufficient securities, a cut proportional to the individual share in the co-ownership may result. For any related loss, the customer would have to assert their legal rights vis-à-vis the bank under the custody contract.

## D.6. Information on account segregation

According to the CSDR (Central Securities Depositories Regulation (EU) No 909/2014), Erste Group Bank AG ("ERSTE") is obliged offer its customers at least the choice between omnibus custody and individual customer segregation in respect of customer securities held directly with central securities depositories (CSDs). At this time, ERSTE holds customer securities directly with the CSDs

of Austria, Slovakia and Luxembourg. More information is available at the following link: [www.erstegroup.com/en/financial-institutions/custody-services](http://www.erstegroup.com/en/financial-institutions/custody-services)

## D.7. Information on bail-ins in the event of bank resolution or recovery proceedings

To create a common European framework of rules and instruments for the recovery and resolution of banks, the EU issued a directive (Bank Recovery and Resolution Directive [BRRD] establishing a framework for the recovery and resolution of credit institutions and investment firms). This directive was transposed into Austrian law as Bundesgesetz über die Sanierung und Abwicklung von Banken (Federal Act on the Recovery and Resolution of Banks, BaSAG).

The Federal Act on the Recovery and Resolution of Banks governs a number of different aspects, including the participation of a bank's creditors (bail-in) in a bank's resolution under prudential supervision. The purpose is to prevent the use of taxpayers' money when a bank risks defaulting. Resolution tools include the following:

### Sale of business

All or part of a bank's assets and/or liabilities are transferred to a buyer. For the bank's customers and creditors this translates into a change in their contracting partner or debtor.

### Bridge institution

A public-sector institution takes over the liabilities and/or assets of the bank undergoing resolution. For the bank's customers and creditors this again translates into a change of their contracting partner/debtor.

### Asset separation

This refers to the so-called "bad bank" concept. Assets and/or liabilities of the affected bank are transferred to special purpose companies (financial vehicle corporates) for deleveraging. For customers and creditors this again entails a change of their contracting partner/debtor.

### Bail-in

When an authority orders the resolution of a bank, the bank's equity and debt are written down in whole or in part or converted into equity. The purpose of this approach is to stabilise the affected bank. In such a case, shareholders and creditors may have to bear substantial losses as the resolution authority may reduce their claims, without their consent, in the extreme case even to zero.

### Currently, instruments for loss absorption are implemented in the following order:

1. Common Equity Tier 1 capital (stocks, shares of a GmbH, KG or cooperative)
2. Additional Tier 1 capital (e. g. additional-Tier-1 issue, unsecured perpetual subordinated bonds with optional redemption or writedown clause)



# Customer profile and customer categories

3. Tier 2 capital (e. g. subordinated "Tier 2" loans, undisclosed reserves, profit-sharing certificates)
4. Other unsecured subordinated financial instruments and debts (e. g. subordinated loans/bonds/profit-sharing certificates that do not meet the requirements for AT1 or T2 instruments)
5. Debts from unsecured non-subordinated, non-structured bonds with explicitly reference to the lower seniority related to the next grade (known as non-preferred senior bonds)
6. Unsecured non-subordinated financial instruments (e. g. structured bonds, bearer bonds, non-covered deposits of large corporates in the amount of over EUR 100,000)
7. Deposits of small- and medium-sized enterprises and private individuals not covered by the deposit guarantee scheme.

Exempted from bail-in are deposits subject to the deposit guarantee scheme as well as covered bank bonds ("covered bonds" or mortgage bonds) and separate assets (e. g. investment funds). The BRRD rules have been implemented in the laws of member states across Europe. A bail-in may thus also be applied to bank bonds from other EU countries, for example, although the details of the rules may differ at national level.

Should the shareholders and creditors incur greater losses when resolution measures are taken, they are entitled to compensation from what is termed the so-called Single Resolution Fund ("SRF"). However, these compensatory payments may be made at a significantly later point in time.

## Risk disclosure

For a bank's creditors and shareholders, the bail-in proceedings may lead to a total loss of the capital invested. The resolution authorities may make changes to the basic conditions of the affected financial instruments (e. g. they can alter the maturity or the interest rate to the investor's detriment). The mere threat to implement resolution measures may make a sale difficult or possible only with a substantial loss in value. The risk of loss increases the more financial instruments and debts of the same bank are included in the securities account of a single investor. Even if the original issuing document or marketing material of a bank product does not specifically describe the bail-in option, the product may be affected by a bail-in under applicable law.

For more information, please consult the website of Oesterreichische Nationalbank at: <https://www.oenb.at/en/financial-market/banking-union/single-resolution-mechanism.html>

You will also find further information on the website of your bank.

## E. Customer profile and customer categories

Our customers are always the focus of our efforts. To ensure that we can provide you with personal advice that is tailored to your specific requirements, your customer advisor will need a comprehensive set of information.

### E.1. Customer profile

As our customer, you can be assured of receiving the best possible advice from us. Before being able to make you an offer, your customer advisor will need to obtain extensive information from you. We need this data to be able to tailor our recommendations to your needs. Additionally, this is also intended to help you assess the consequences and ramifications of the recommended financial instruments.

The scope of the data to be collected is defined in detail in the Austrian Securities Supervision Act 2018 (WAG 2018) in conjunction with Delegated Regulation (EU) 2017/565. This includes identifying the customer's assets, the purpose and duration of the investment (including the ability to absorb losses) and the purpose of the investment, the duration of the investment (including risk tolerance), and knowledge about and experience with financial instruments. The scope of advisory services depends to a great extent on the amount of information that you provide about your personal situation. The more detailed the information you that you provide, the more focused the work by your advisor can be in developing recommendations tailored to your needs. If you are not prepared to give us the minimum information required by law, we are not allowed to make any recommendations.

### E.2. Customer categories

WAG 2018 defines three categories of investors: retail customers, professional customers and eligible counterparties. The differentiation is based on well-defined criteria. The assignment to one of the three customer categories is made by the customer advisor.

# Retail business

If you wish to be reassigned to a different category, you must make an application, after which we will review the criteria mandated by statute. Depending on the category to which you have been assigned, WAG 2018 defines the specific level of protection you must be provided with. A reassignment to a different category also results in a change in your level of protection.

## E.2.1. Retail customer category

Customers in the retail customer category enjoy the highest level of investor protection. This protection includes comprehensive duties to provide information. Also, a suitability and appropriateness review must be undertaken when providing investment advice.

This category also includes self-employed individuals, enterprises and other legal entities. It makes no difference whether the assets are personal or part of a business. The size of the investment is irrelevant as well.

As a customer using our Erste Bank Direct Depot you are generally classified as a "retail customer", affording you the highest possible level of protection under WAG 2018.

## E.2.2. Professional customer category

Customers in the professional customer category are those who have extensive experience with and knowledge of the investment business and can evaluate and control the relevant risks correctly and comprehensively. Only the suitability assessment is undertaken when providing investment advice. The customer is expected to have adequate financial means.

### This category may include:

- Financial institutions, insurance companies, investment companies, pension funds
- Countries, states, regional governments
- Central banks, supranational entities (World Bank, International Monetary Fund, European Investment Bank)
- Large companies that meet at least two of the following requirements:
  - total assets: EUR 20 million
  - net turnover: EUR 40 million
  - own funds: EUR 2 million

## E.2.3. Eligible counterparty category

Being classified and treated as an eligible counterparty requires meeting the prerequisites for a professional customer. Eligible counterparties receive the lowest level of protection under WAG 2018.

Customers in this category receive no investment advice within the meaning of Section F.2.1. However, if they are given investment advice, they are treated as professional customers.

# F. Client business

## F.1. Suitability and appropriateness assessment

In giving you investment advice, your customer advisor will review your customer profile as well as your investment targets and make any modifications necessary to take into account any change in your circumstances. Using the details you provide, your customer advisor determines whether the recommended investment suits you. In other words, your customer advisor will review whether you have adequate financial resources, what level of risk you are prepared to assume, and whether the financial instrument corresponds to your investment goal (investment purpose and investment term) (suitability assessment). If your experience is deemed to be insufficient, your customer advisor will provide new advice accordingly.

The customer advisor will also review whether you are familiar with the risks and opportunities of the relevant financial instrument and have the requisite experience (appropriateness assessment). If the review shows that the financial instrument is not suitable and/or appropriate, your customer advisor will point this out to you, issue a warning, and refrain from making a recommendation. If you still insist on concluding the transaction, you will have to do so without advice.

### F.1.1. Definition of high-risk securities

High-risk securities are characterised by high volatility (the measure for currency fluctuations, e. g. fluctuating security prices or fluctuating interest rates). As volatility rises, the risk of achieving a return below the expected return rises. As a result, the chances of making a profit increase and the risk of loss rises as well – possibly up to a total loss.

The risk a product entails is also affected by the issuer's credit standing (ability to honour obligations, e. g. interest and principal repayment). The lower the issuer's credit standing, the higher the projected interest payments will be and the higher the (default) risk with respect to the repayment of capital invested and interest.

When assessing the risk of an investor's total assets, the following are considered high-risk securities: shares,



share funds, options, etc. Further high-risk investments, such as corporate bonds, equity investments, fund-based insurance policies with a high stock component, etc., are likewise assigned to this category. The proportion of high-risk securities in an investor's total assets can be used to determine whether the investment structure is suitable for an investor in light of the risk share.

### **F.1.2. Definition of low-risk securities**

Low-risk securities are characterised by low volatility. As volatility decreases, the risk of not achieving the expected return is reduced. As a result, the chances of making a profit decrease, while the risk of loss is reduced as well.

The risk a product entails is also affected by the issuer's credit standing. The better the issuer's credit standing, the lower the (default) risk.

When assessing the risk of an investor's total assets, euro bonds issued by issuers with an excellent credit standing are considered low-risk securities. Other forms of saving, such as passbooks, home ownership savings contracts, etc., are likewise assigned to this category.

### **F.1.3. Definition of issuers with good credit standing**

Issuers with good credit standing are debtors (e. g. state, bank, company, etc.) who, based on their financial strength, are expected to service the interest of the securities they issue on an ongoing basis and have the ability to repay them at any time.

Credit standing can be assessed using the available ratings (risk assessments) issued by international rating agencies (e. g. Standard & Poor's, Moody's, Fitch). Ratings are based on an extensive analysis of the debtor, including profitability, equity capital, competitive position, management, etc., and are expressed as a letter grade.

Where no rating is available, the debtor's credit standing can also be assessed using the bank's internal risk assessment (comparable to a rating).

## **F.2. Advice-based transactions and advice-free transactions**

What is the difference between advice-based transactions and advice-free transactions?

- In the former case, your investment decision is based on a recommendation by your customer advisor.
- In the latter case, it is based on your own decision to acquire the financial instrument without any advice.

### **F.2.1. Advice-based transactions**

Investment advice is a business that includes investment consulting and asset management. It entails the recommendation of a financial instrument or an investment service that is tailored to your needs. The recommendation

is made on the basis of a suitability and appropriateness assessment conducted using the information you provide (see Section F.1.).

#### **F.2.1.1. Investment advice**

It is considered a recommendation when we propose an investment product that is suitable and appropriate for you. If we provide a recommendation, you will receive a record of the related conversation held.

However, it is not considered a recommendation when we provide you with general information through public media about a type of security or about investment products, when we speak with you about market developments, or when we make informational material available to you.

In any case, you should make sure you consult your customer advisor at least once a year to discuss your investments.

#### **F.2.1.2. Dependent advice**

We provide investment advice in the form of dependent advice. This means that the product range does not cover a substantial number of financial instruments available on the market, but for the most part includes financial instruments issued or offered by Erste Group Bank AG and its affiliated companies. In this context, however, we also offer a broad base of third-party products.

#### **F.2.1.3. Product approval process**

Erste Group Bank AG offers its customers only financial instruments that have previously undergone a product approval process and for which a target market has been defined. The target market describes customer groups for which the product is designed. In particular, Erste Group Bank AG will ensure that the design of a financial instrument and its features does not have a negative impact on its customers.

#### **F.2.1.4. Exclusion of advice after execution**

Within the scope of the investment advice specified under Section F 2.1.1., our obligation to provide advice ends once your order has been executed. In other words, we do not provide any follow-up advice or periodic suitability assessments. A periodic suitability assessment is when a credit institution expressly agrees to routinely review and actively inform you whether your financial instruments or your investment continues to be suitable. We do not provide this service. Naturally, we are pleased to be of assistance if you contact us on your own initiative for further consultation. For your ongoing support, we have devised a number of special services for you, including the asset management contract.

### **F.2.2. Advice-free transactions**

With advice-free transactions, we will review whether your investment decision is appropriate. The review of whether your investment decision is suitable can be omitted. If the appropriateness assessment is negative, you will be warned by us in a standardised manner. In non-advisory business, the target market criteria are not subject to a (full) review.

# Inducements for the bank in securities business

A transaction is considered to be advice-free if the following criteria apply:

- You have made it explicitly clear that you wish to make the investment.
- We have made no personal recommendation.
- You insist on execution of the order despite a negative result of the suitability and/or appropriateness assessment.
- A suitability and/or appropriateness assessment cannot be performed (for example, if you fail to provide information on the client profile and investment objectives or when the required product documents are not available).
- You execute your transactions on your own via digital banking (George).

## Orders via digital banking (George)

We accept orders via digital banking (George) for further processing as non-advisory business. Accordingly, the criteria set forth in Section F.2.2. apply as well.

## F.3. Orders placed by means of telecommunications

Orders that you place with us by telephone or fax can be processed as non-advisory business.

You are likewise welcome to use various means of telecommunications to do business with your customer advisor that require investment advice. In any case, your customer advisor will conduct a suitability and appropriateness assessment and send you all the necessary customer and product documents in the course of the investment advice. At your request, the documents can also be sent by email. However, we will send such documents to you by email only after you have stated that you expressly agree to us sending you the required documents electronically.

## Recording electronic customer communication

Due to regulatory requirements under WAG 2018, all telephone calls and electronic communication (e. g. via email) between you and our trading and sales units that lead or may lead to the conclusion of business transactions involving financial instruments are recorded and archived. At your request, copies of these records will be made available to you over a period of seven years from the time of such a call or communication. The first time you can request deletion of the records is after seven years have expired.

If you disagree with the recording of your electronic customer communication, we must stop doing business transactions in financial instruments via electronic communication with you.

## G. Inducements for the bank in securities business

### G.1. Acceptance of inducements

When rendering securities services, we accept inducements ("sales incentives") from third parties under agreements that we have in place and comply with. These third-party inducements are designed to help us consistently improve the quality of our services for our customers. We expressly state that acceptance of such inducements does not interfere with our acting in the best possible interest of our customers.

Erste Group Bank AG receives one-off cash inducements (e. g. in the form of front-end loads for specific fund transactions) or ongoing cash inducements (e. g. in the form of trailer fees for specific fund portfolios) from third parties. The customer is informed of the retained cash inducements prior to the transaction by way of the ex-ante cost disclosure and the periodic ex-post disclosure.

Erste Group Bank AG is also entitled to accept minor non-cash inducements – see Section G.2.

### G.2. Minor non-cash inducements

Erste Group Bank AG has the right to accept invitations and gifts of minor value from third parties as is customary and permissible between business partners – for example, in the form of invitations of minor value to cultural events, gifts of minor value on special occasions (e. g. Christmas gifts) or information on a financial instrument. However, such acceptance is permitted on the condition that customer interests are not prejudiced and the invitations and gifts are able to improve the quality of the service for customers.

### G.3. Investment research

Erste Group Bank AG prepares and distributes investment research in various forms. This includes the systematic analysis of the quality of a specific issuer as well as the investment advice for financial instruments issued by this issuer. Under these circumstances the individual perspectives of an eventual client are not taken into account at the time of the creation of the investment advice. This distinguishes the financial analysis from the investment advice. When distributing financial analyses, detailed processes have to be adhered to, in particular the disclosure of any conflict of interest. In addition, specific organisational requirements have to be fulfilled to ensure the independence of analysts.

# Information about the execution principles of Erste Group Bank AG

## H. Information about the execution principles of Erste Group Bank AG

### H.1. Scope

- a. This information on the execution principles for retail customers summarises 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 retail customers within the meaning of WAG 2018.
- b. The requirements of WAG 2018 for best execution are an important part of investor protection. They apply to investment firms that manage customer portfolios or accept, transmit or execute customer orders for financial instruments against their own book. Customer 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 customer portfolio are referred to below as order(s).
- c. According to WAG 2018, investment firms are required to take all sufficient steps to obtain the best possible result for their customers when executing customer orders. Where an investment firm executes an order on behalf of a retail customer, the best possible result has to be determined in terms of the total consideration. The costs have to include all expenses incurred by the customer which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees.
- d. The execution policy is an integral part of the account and deposit opening agreement between Erste Group Bank AG and the customer. As a prerequisite for opening a securities account, customers are required to consent to these execution principles. In addition, their consent shall be deemed given repeatedly when they place orders with Erste Group Bank AG.

### H.2. Execution standards

Erste Group executes orders according to the following standards:

- a. Erste Group Bank AG takes all appropriate steps to obtain the best possible result for the execution of customer orders on a consistent basis, but not on a single order basis. Erste Group Bank AG places orders at execution venues which it deems suitable for this purpose. In this connection, Erste Group Bank AG can also take the role of a Systematic Internaliser and, in this role, Systematic Internaliser, can also execute customer orders directly with the customer. Execution venues include regulated markets (RM), multilateral trading facilities (MTF), organised trading facilities (OTF), systematic internalisers (SI) and other liquidity providers.
- b. For the selection of the execution venue, different execution factors are taken into account, which enable Erste Group Bank AG to obtain the best possible result for the customer. According to the class of financial instrument, the following factors are taken into account with different weightings:
  - **price**
  - **costs**
  - **likelihood of execution**
  - **other relevant factors**
- c. For retail customers, the best possible result is determined in terms of the total consideration, representing primarily the price and costs of the financial instrument relating to the execution.
- d. The costs taken into account by Erste Group Bank AG include, for example, execution venue fees, taxes, broker fees, clearing and settlement fees.
- e. Erste Group Bank AG offers the execution of customer orders in the following classes of financial instruments:
  - **shares, exchange traded funds (ETFs)**
  - **bonds**
  - **investment funds**
  - **certificates and warrants**
  - **OTC derivatives**
- f. When executing orders, Erste Group Bank AG takes into account the classification of the customer as retail customer.
- g. If a customer issues explicit instructions, Erste Group Bank AG executes the order according to the specific customer instruction. The customer should note that this may prevent Erste Group Bank AG from obtaining the best possible execution result referring to the aspects that have been instructed by the client.

# Basic framework for handling of conflicts of interest

- h. Erste Group Bank AG receives and transmits orders as an agent to other intermediary brokers for execution on a commission basis or executes orders either directly at an execution venue or against its own book. In specific business cases agreed with the customer, Erste Group Bank AG may execute any non-tradable part of a stock exchange order (fractions<sup>1</sup>) against its own book.
- i. When choosing intermediary brokers for the transmission of orders for execution (hereinafter referred to as brokers), Erste Group Bank AG applies a standardised selection procedure. Erste Group Bank AG assesses on a regular basis whether the chosen brokers have effective execution policies and arrangements in place which ensure best execution on a consistent basis in line with Erste Group Bank AG's execution principles and WAG 2018. If needed, any deficiencies are corrected.
- j. Erste Group Bank AG reviews its execution policy at least annually. Customers are informed about any change of the execution policy.
- k. Further information about the execution criteria of Erste Group Bank AG for retail customers and their meaning as well as a description of the market conditions for each class of financial instruments can be found at [www.erstegroup.com/en/legal-information/mifid](http://www.erstegroup.com/en/legal-information/mifid).
- l. Further information about the execution criteria of Erste Group Bank AG for professional clients can be found at [www.erstegroup.com/en/legal-information/mifid](http://www.erstegroup.com/en/legal-information/mifid).

You can, of course, also obtain this information from your customer advisor upon request.

## I. Basic framework for handling of conflicts of interest

Erste Group Bank AG has taken the following steps to ensure that conflicts of interest between Erste Group Bank AG and its customers or among its customers do not have a negative effect on customer interests:

### I.1. Conflicts of interest can arise within Erste Group Bank AG

between our customers and

- our bank
- employees working at our bank
- other customers

when providing investment services/ancillary services, especially in the following areas:

- financing
- sales of financial instruments
- order execution for others
- custody & settlement for customers
- production, distribution or disclosure of financial analyses or investment advice (or general information about financial instruments or issuers when providing direct or indirect advice for a particular investment decision)
- market making

in particular, from relationships

- between our bank and issuers of financial instruments, e. g. via participation in supervisory or advisory boards, and
- between issuers of financial instruments and our bank, e. g. as customers of our bank, and from relationships between our bank and issuers of financial instruments where
- our bank holds a direct or indirect investment in the respective issuer of financial instruments.

In addition, conflicts of interest may arise if our bank

- participates in issues of financial instruments undertaken by the respective issuer
- acts as lender/guarantor for the respective issuer of financial instruments
- makes/receives payments to/from the respective issuer of financial instruments
- collaborates with the respective issuer of financial instruments or
- operates/holds direct or indirect subsidiaries/ investments together with the respective issuer of financial instruments.

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

Conflicts of interest can also arise, particularly where

- Erste Group Bank AG, due to its close corporate affiliation with the investment company Erste Asset Management GmbH, sells and/or recommends the latter's products
- our bank or relevant individuals from our bank has/have access to information that is not yet public knowledge at the time of the customer transaction
- there are incentives to give preference to a certain financial instrument, e. g. when giving advice, making a recommendation or executing an order

## **I.2. To avoid such conflicts of interest to the maximum extent possible, our bank has a multi-tier organisation with a corresponding allocation of responsibilities**

As a credit institution, we and our employees are obligated by law to provide securities services and ancillary services in a fair, honest and professional manner and in the interests of our customers and to avoid conflicts of interest to the maximum extent possible. Apart from this, we can draw upon a compliance organisation, which can, in particular, take the following actions:

- Set up confidentiality zones with so-called "information barriers", i. e. virtual or actual barriers to monitor or limit the flow of information.
- Promulgate guiding principles for employees when dealing on their own account, in particular, supplementary provisions on securities accounts for employees in sensitive areas.
- Obligate all employees to disclose their transactions involving financial instruments.
- Implement ongoing monitoring of all employee transactions involving financial instruments.
- Maintain watch lists and blacklists for financial instruments that are prone to conflicts of interest. Employee transactions involving financial instruments on the watch list are permitted subject to certain restrictions, but are centrally monitored. Transactions involving financial instruments on the blacklist are prohibited.
- Create rules regarding the acceptance and execution of orders.
- Perform a product approval process when products are introduced.
- Establish rules for investment and investor consultations.
- Establish rules for the remuneration system for our employees that are designed to ensure objective advice in the customer's best interest and to prevent from the very outset that preference is given to the sale of certain financial instruments.

- Impose an obligation on all employees to disclose secondary occupations, participations, and mandates.
- Create rules regarding the acceptance of gifts and other inducements.
- Arrange for ongoing training of our employees.
- Establish policies regarding the allocation of financial instruments in primary capital markets transactions.

If certain conflicts of interest cannot be avoided through the aforementioned allocation of responsibilities or our compliance organisation, we will inform our customers thereof in accordance with these principles. If necessary, we will refrain from making assessments, giving advice, or making recommendations concerning the relevant financial instrument.



# Important information for our customers

## J. Important information for our customers

### Cost disclosure

Depending on the time of the transaction, there are three types of cost disclosures:

1. Before the transaction: The "ex ante cost disclosure" provides an overview of the expected costs, fees and their effects on earnings BEFORE the transaction (purchase, sale, etc.). For the current valid version see: <https://www.erstegroup.com/en/legal-information/mifid>
2. After the transaction: The "one-time ex-post disclosure" provides information on the costs actually incurred and is made available to you via the settlement document AFTER the transaction as quickly as possible, but no later than on the first business day after order execution.
3. Annually: The "periodic ex-post cost disclosure" lists all the costs, fees and funds incurred or received in the course of a given year. This disclosure is sent to you at year-end along with the securities account statement.

### List of your securities

You will be sent a list of your securities once every quarter of a year in the form of a securities account statement.

Costs and fees are indicated in the posted table of terms or on specific product sheets or in the cost preview for the respective product (available from your customer advisor). Any costs incurred by a product (known as "product costs") are indicated in the key information document (KID) or the customer information document. When providing investment advice or executing non-advisory business, your customer advisor will inform you about the costs to be expected for the respective product and the service offered. This information is transmitted in different ways, depending on the type of business and the financial instrument in question.

Where a cost preview for a specific transaction can be provided, the indicated fees and costs for a transaction are calculated on the basis of the respective price applicable or from the net asset value if the transaction involves a one-time investment in a fund. Fees vary depending on the type of security involved and the venue of order execution. Foreign currency transactions may entail additional costs to pay for a foreign exchange commissions and spreads, which will be disclosed accordingly.

It should be noted that the costs disclosed are calculated on the basis of the stock exchange or market price applicable at the time of issue of such disclosure. Any fluctuations occurring until the time of execution cannot be taken into account. Where no price for a security is available at the time the disclosure is issued, the costs shall be taken as a percentage from the posted table of terms. Any fees and costs disclosed to you prior to an investment transaction will be settled as part of the transaction via the selected settlement account. Product costs indicated in the disclosure do not give rise to any additional payments, but are already included in the product's specific price or net asset value.

In the event of non-certificated derivatives, no costs are incurred for a service provided; only the product costs are payable. All the product costs included are taken into account in the valuation of the individual business transaction prior to the beginning of the product term. Over the term of the derivative, customers receive derivative valuations but no further periodic information about running costs, since no such costs are incurred.



# Information on sustainability and Ombudsstelle

## K. Sustainability – ESG

Erste Group Bank AG focuses on people, their needs, their environment, and, above all, their financial health. We serve as a reliable partner and support people in leading a better and more sustainable life with a strong emphasis on environmental, social and governance (ESG) principles. As early as 2015, we endorsed the United Nations (UN) agreement supporting the 17 Sustainable Development Goals (SDGs).

In recognition of these efforts, Erste Group Bank AG has received good to very good ESG ratings from leading ESG rating agencies. For example, Erste Group Bank AG has been awarded prime status in the ISS ESG ratings ([www.iss-esg.com](http://www.iss-esg.com)) since 2018. Moreover, in 2019, Erste Group Bank AG achieved an AA rating in the MSCI ESG Ratings (scale from AAA to CCC). More information about Erste Group as a sustainable issuer is available here: <https://www.erstegroup.com/de/investments/produkte/nachhaltigkeitsansatz>.

In accordance with Erste Group Bank AG's corporate principles, sustainable investments are generally promoted. However, due to the specific nature of products, particularly the nature of individual product categories, not all products can be stated as sustainable from the outset and are labelled accordingly. In the case of OTC derivatives, no sustainability preferences can be assigned.

Further information on sustainability at Erste Group Bank AG can be found on the following page: <https://www.erstegroup.com/de/ueber-uns/nachhaltigkeit-esg>

## L. Ombudsstelle/complaints

In case of complaints, your customer advisor and our Ombudsstelle is at your disposal.

### Contact

[ombudsstelle@erstegroup.com](mailto:ombudsstelle@erstegroup.com)

### Address

Erste Group Bank AG  
Ombudsstelle  
Am Belvedere 1  
1100 Vienna

Details on our complaints procedure and on alternative dispute settlement authorities are available on our website in the section Ombudsstelle.

We always try to find the best solution for your complaints. Should you feel that we have not met your expectations, you can contact us or an alternative dispute resolution institution:

- the Joint Arbitration Institution of the Austrian Banking Industry. More information about complainant eligibility and the complaint procedure can be found at: [www.bankenschlichtung.at/upload/downloads/QuestionandAnswer.pdf](http://www.bankenschlichtung.at/upload/downloads/QuestionandAnswer.pdf).
- or the Joint Arbitration Institution of the Austrian Banking Industry directly at: Gemeinsame Schlichtungsstelle der Österreichischen Kreditwirtschaft, Wiedner Hauptstraße 63, A-1045 Vienna, tel.: +43 5 90 900 118337, website: [www.bankenschlichtung.at/](http://www.bankenschlichtung.at/), email: [office@bankenschlichtung.at](mailto:office@bankenschlichtung.at)
- or the EU's online dispute settlement platform for online transactions: [ec.europa.eu/consumers/odr/](http://ec.europa.eu/consumers/odr/)

You also have the option of contacting the Financial Market Authority at <https://www.fma.gv.at/en/complaints-and-points-of-contact/> or taking civil action.

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