

Pricing Guidelines for Clearing Services of Exchange Traded Derivatives (ETD) offered by Erste Group Bank AG (EGB)

The purpose of this pricing guideline is to disclose the fees and commissions arising from the provision of clearing services by Erste Group Bank AG (“EGB”) for derivatives trades cleared for clients at a central counterparty (“CCP” or “clearing house”) under the regime of EMIR¹ and MiFIR².

This document may be updated in irregular periods, with the most recent version being made available on our website. You should always ensure that you consider the most recent version of relevant disclosure documents on the website, which will supersede and override any previous version.

The terms and conditions of fees and commission chargeable as well as the process of handling orders of derivatives will be agreed with each client in a separate document and the terms of payment and collection of such fees are set out in the client agreement between the client and EGB.

Additional article 39(7) of EMIR and the final indirect clearing RTS³ also require that CCPs and their clearing members (CM) disclose details of the available segregation models (i.e. basic (net) omnibus segregated accounts (“BOSA”) or gross omnibus segregated accounts (“GOSA”)) for indirect clearing of ETD and the costs involved with each segregation model. The possible costs implications of different models are addressed in this document and information on other aspects is available via the following link which will be available on January 3rd 2018:

<http://www.erstegroup.com/mifid>

Fundamental Pricing Considerations

EGB’s charges set out below are indicative of the highest charge applied to the stand alone provision of clearing services before applying any discount or reduction. The charges are in addition to any fees or charges applied by each relevant CCP or clearing broker for the provision of clearing services, subject to the discussion on available

¹ Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.

² Regulation (EU) No 600/2014 on markets in financial instruments and amending Regulation (EU) No 648/2012.

³ Commission Delegated Regulation (EU) No. 2017/2154 supplementing Regulation (EU) No 600/2014 with regard to regulatory technical standards on indirect clearing arrangements, and Commission Delegated Regulation (EU) No. 2017/2155 amending Commission Delegated Regulation (EU) No 149/2013 with regard to regulatory technical standards on indirect clearing arrangements.

discounts or reductions below. Each CCP will provide details on its website of the charges for each account type and the provision of its clearing services.

EGB's fees are calculated based on a number of variable factors. A client may receive a discount or rebates from the maximum charges depending on these factors and their application to that client, which may include consideration of a client's credit rating, overall revenue opportunity, capital requirements for banks, or the structure and complexity of clearing service requirements for a CCP or a client's wider relationship within the EGB Group.

For example, without limitation, some of the following factors may be relevant when determining the discounts available from the maximum charges for listed derivatives (ETD):

Criteria	Decreases Fees	Increases Fees
Financial Instrument Type	Listed Derivatives ⁴ on main markets	Listed Derivatives ⁵ on emerging markets
Trading Volumes	High	Low
Contract Settlement	Cash settlement	Physical delivery
Traded Exchanges & Products	Mature or STP ⁶ markets	Bespoke or non STP markets
Execution Method	DMA ⁷	Execution by phone or fax
Execution Wallet	Execution done with EGB	Execution done by a 3rd party
Portfolio Risk Attributes	Diversified portfolios Low duration fixed income portfolios; diversified portfolio	Option heavy portfolios (risk management model / loss consumption); directional and concentrated portfolio
Customer Onboarding Complexity	Low complexity, single account standard offering	High complexity, multiple accounts or bespoke legal terms
Client Credit Rating ⁸	Moody's, S&P, Fitch Aaa, AAA, AAA	Moody's, S&P, Fitch Lower than BBB+
Number of Accounts	Low	High
Client Reporting	Standard	Customized

For any particular CCP service, clients may choose between a Basic Omnibus (Segregated) Indirect Client Account (BOSA) or a Gross Omnibus (Segregated) Indirect Client Account (GOSA) for indirect clearing services offered by EGB. Due to the increased operational complexity and funding implications generally required to

⁴ This is generally the case but there may be exceptions

⁵ This is generally the case but there may be exceptions

⁶ STP ... straight through processing

⁷ DMA ... Direct market access

⁸ Client Credit Rating is measured by an internal model which is not disclosed to clients but is similar to Moody's, Standard & Poor's and Fitch credit agency scores.

support GOSA accounts, it is likely that the range of available discounts will be higher for BOSA accounts than for GOSA accounts.

General Pricing Structure

EGB's maximum pricing for clearing services of exchange traded derivatives (ETD) is comprised of the following components:

1. Transaction Clearing Fee

The Transaction Clearing Fee will be charged on a per lot basis; for pricing examples see below. The Transaction Clearing Fee is in addition to any external exchange, CCP or other third party fees associated with the execution or clearing of the transaction, and is applicable to both BOSA and GOSA accounts.

2. Account Opening and Maintenance Fee

Due to the additional operational complexity required to maintain a Gross Omnibus (Segregated) Indirect Client Account (GOSA), EGB will apply a EUR 5.000 fee for a new account and a EUR 2.000 monthly fee per account, to cover the additional operational efforts. The structure of GOSA accounts may not be the same across all CCPs, which may result in variable Account Maintenance Fees for the provision of these services. The Account Maintenance Fee is in addition to any applicable CCP fees or charges which the CCP requires for the set up or maintenance of a client account.

3. Collateral Charge

A Collateral Charge will be applied to your collateral held by EGB depending on the type of collateral: EGB fees for cash collateral (EUR 100 per month for account maintenance and 1 week EUR Euribor[®] minus 50 basis points (bps) as an interest rate charge; other currencies only upon request) or fees for securities as collateral (25 bps of securities collateral value per year).

4. Liquidity Charge

EGB may be required to set aside its own money and resources to cover a shortfall in circumstances where there is insufficient client-funded collateral available at the time the CCP requires a margin requirement to be met. EGB will apply an Liquidity Charge of OIS⁹ plus 200 bps to any margin in a G5 currency that EGB is required to fund on a client's behalf. Any Liquidity Charge will be notified to the client as applicable.

5. Minimum Revenue Threshold

EGB will require clients to maintain minimum activity levels to meet the ongoing costs of providing clearing services. A Minimum Revenue Threshold of EUR 200.000,- per annum will be applied which is calculated following the deduction of CCP or other third party fees.

⁹ OIS ... Overnight indexed swap

6. Negative Interest Rate Charges

CCPs may apply negative interest rates to cash balances held by a clearing member (CM) at such CCP. EGB reserves the right to pass on such negative interest rates in the form of interest or charges as applicable to the clearing services offered to clients.

Amendment

Please note that other additional services may incur extra fees and commissions. EGB reserves the right to amend its fee schedule and to pass on costs to reflect any financial impact of own capital, balance sheet, funding or derivative leverage requirements associated with providing clearing services. In addition, EGB reserves the right to pass on charges relating to default fund contributions and/or non-default loss allocations as required by CCPs from time to time.

Indicative Pricing Examples

We have set out below a hypothetical pricing example for Exchange Traded Derivatives (ETD), subject to the effect of the variables described in this document.

Exchange / Clearing House: Eurex

Equity Index Product: Euro Stoxx 50[®] Index Futures (FESX)

Annual volumes: 50,000 contracts

Clearing and execution commission per lot: €4.00 + external exchange / clearing house fees

Annual clearing cost: €200,000 + external exchange / clearing house fees

Exchange / Clearing House: Eurex

Fixed Income Product: Euro-Bund Futures (FGBL)

Annual volumes: 50,000 contracts

Clearing and execution commission per lot: €4.00 + external exchange / clearing house fees

Annual clearing cost: €200,000 + external exchange / clearing house fees

December 2017

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