



INFORMATION ABOUT ALL COSTS AND CHARGES RELATED TO INVESTMENT PRODUCTS AND ILLUSTRATIVE CALCULATIONS (effective from 1 July 2020)

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The contents is provided for general guidance only. All of the information and illustrations contained herein are intended for informative purposes only and should not be construed as an offer of advice to buy or sell the financial instruments mentioned in this document.

The actual fees specified in the illustrations are valid as of 1 July 2020.



1 BROKERAGE SERVICES

1.1 PURCHASE OF SHARES AND ETF BY PLACING THE ORDER WITH THE BROKERAGE DIVISION

Illustration 1

- Client intends to buy 10 000 shares ETF
- the current share price is EUR 43.70.

The **value of Client's transaction** is:

10 000 * 43.70 = EUR 437 000 (value of shares/ETF based on the current price)

Costs incurred in FI transactions	EUR	Fees and conditions of transactions in FIs
Associated with investment service	0	
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs:</u> for the conclusion of the transaction	1,529.50	0.35% of the transaction value, min. 50 EUR, USD, GBP (depending on the currency of the transaction)
<u>Ongoing costs:</u> custody fee for shares per month	91.04	0.25% per annum, min. EUR 25 per month
Total planned charges and costs	1,620.54	

Client's total costs involved in **buying FI** are 437 000 (the value of the transaction) + 1,620.54 (total planned charges and costs) = EUR 438,620.54

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	437,000.00
Fees as a percentage of total transaction value	0.37 %
Client's total costs involved in buying FI	438,620.54
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by EUR 1,620.54, or 0.37% of the amount invested (EUR 437,000.00)

Illustration 2

- Client intends to sell 10 000 shares/ETF
- the current share price is EUR 43.70.

Costs incurred in FI transactions	EUR	Fees and conditions of transactions in FIs
Associated with investment service	0	
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	



Associated with financial instruments:		
<u>One-off costs:</u> for the conclusion of the transaction	1,529.50	0.35% of the transaction value, min. 50 EUR, USD, GBP (depending on the currency of the transaction)
Ongoing costs	0	
Total planned charges and costs	1,529.50	

Cumulative effect of costs and charges on investment return

Client's proceeds, assuming zero-charges related to investment service	437,000.00
Fees as a percentage of total transaction value	0.35%
Total sales revenue (income received by Client from selling FI)	<u>EUR 435,470.50</u>
Cumulative effect, as observed in FI transaction, of Client's proceeds from selling FI	Decrease in profit by EUR 1,529.50, or 0.35% of the amount invested (EUR 437,000.00)

Illustration 3

- Client intends to buy 1 000 shares/ETF
- the current share price is USD 11.00
- EUR/ USD exchange rate on the settlement date is 1.15

The **value of Client's transaction** is:

1 000 * 11.00 = USD 11 000 (value of shares/ETF based on the current price)

Costs incurred in FI transactions	EUR	USD	Fees and conditions of transactions in FIs
Associated with investment service	0	0	
Inducements to third parties	0	0	
One-off costs	0	0	
Ongoing costs	0	0	
Associated with financial instrument:			
One-off costs:			
- for the conclusion of the transaction	38.50/ 1.15= 33.48	(38.50); 50 will be withheld	0.35% of the transaction value, min. 50 EUR, USD, GBP (depending on the currency of the transaction)
- Currency exchange fee	0	0	
Ongoing costs	0	0	
- custody fee for shares per month	25	25 x 1.15= 28.75	0.25% per annum, min. EUR 25 per month
Total planned charges and costs		78.75	

Client's total costs involved in **buying FI** are 11 000 (the value of the transaction) + 78.75 (total planned charges and costs) = **USD 11 078.75**,



including fee for custody of shares/ETF at this price per month: $11\,000 * 0.25\% / 12 = \text{USD } 2.29 * 1.15 = \text{EUR } 2.63 < \text{EUR } 25$. Where FI custody fee falls below the minimum fee threshold, the minimum fee totalling **EUR 25 / USD 28.75** will be added to the final fee.

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	11 000,00
Fees as a percentage of total transaction value	0.72 %
Client's total costs involved in buying FI	11,078.75
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 78.75, or 0.72% of the amount invested (11,000.00)

Information about costs and charges related to investment products and illustrative calculations take into account a specific transaction and the point in time when the transaction is carried out. Fees charged for custody of financial instruments vary depending on the value of FI, as prices for FI are volatile. Therefore, the illustrations reflect the custody fees based on the purchase price calculated for one month. The custody fees are calculated at the end of each month, and the calculation takes account of FI price changes.

1.2 PURCHASE OF SHARES AND ETF BY EXECUTING THE ORDER ON BIB TRADER PLATFORM

Illustration:

- Client intends to buy 10 000 shares/ ETF traded on the German market,
- the current share price is EUR 43.70.

The **value of Client's transaction** is:

$10\,000 * 43.70 = \text{EUR } 437\,000$ (value of shares/ETF based on the current price)

Costs incurred in FI transactions	EUR	Fees and conditions of transactions in FIs
Associated with investment service	100	
Inducements to third parties	0	
<u>One-off costs</u> : fee charged for forex streaming (a constant flow of details on current currency exchange rates)		The fee is charged on an individual basis, based on legal classification (natural person, legal entity) and the chosen markets
<u>Ongoing costs</u> : monthly platform fee	100	
Associated with financial instrument:		
One-off costs:		
- for the conclusion of the transaction	874.00	0.20% of the value of the transaction, min. EUR 40
- Fee for order placed telephonically (voice order), via fax, or via internet banking	43.47 (exchange rate 1.15)	USD 50
<u>Ongoing costs</u> : custody fee for shares per month	91.04	0.25% per annum, min. EUR 25 per month



Total planned charges and costs	1,108.51
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Client's total costs involved in **buying FI** are 437 000 (the value of the transaction) + 1,108.51 (total planned charges and costs) = **EUR 438,108.51**,
including fee for custody of shares/ETF at this price per month: $437\,000 * 0.25\% / 12 = \text{EUR } 91.04$

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	437,000.00
Fees as a percentage of total transaction value	0.25 %
Client's total costs involved in buying FI	438,105.51
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 1,108.51, or 0.25% of the amount invested (437,000.00)

1.3 PURCHASE OF BONDS BY PLACING THE ORDER WITH THE BROKERAGE DIVISION

Illustration 1

- Client intends to buy bonds at par value EUR 100 000,
- the current bond price is 96.125%,
- the accumulated coupon yield as at the current day is EUR 347

The **value of Client's transaction** is:

$$100\,000 * 96.125\% + 347 = \text{EUR } 96\,125 + \text{EUR } 347 = \text{EUR } 96\,472$$

Costs incurred in FI transactions	EUR	Fees and conditions of transactions in FIs
Associated with investment service	0	
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs:</u>		
- for the conclusion of the transaction	144.70	0.15% of the transaction value, min. EUR 100
- Possible and mandatory fees charged by intermediaries (exchanges; foreign regulators overseeing the financial instruments market, associations; organisations for members/participants of a regulated market, etc.)		The amount of the fee will become known after the conclusion of the transaction
<u>Ongoing costs:</u> custody fee for bonds per month	20.83 < 25.00	0.25% per annum, min. EUR 25 per month
Total planned charges and costs	169.70	

Client's total costs involved in **buying FI** are 96 472 (the value of the transaction) + 169.70 (total planned charges and costs) = EUR 96,641.70,



including custody fee for bonds per month: $100\,000 * 0.25\% / 12 = \text{EUR } 20.83 < \text{EUR } 25$

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	96,472.00
Fees as a percentage of total transaction value	0.18%
Client's total costs involved in buying FI	96,641.70
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 169.70, or 0.18% of the amount invested (96,472.00)

Illustration 2

- Client intends to buy bonds at par value USD 200 000
- the current bond price is 103.5%
- the accumulated coupon yield as at the current day is USD 2356
- EUR/ USD exchange rate on the settlement date is 1.15

The **value of Client's transaction** is:

$200\,000 * 103.5\% + 2356 = \text{USD } 207,000.00 + \text{USD } 2356.00 = \text{USD } 209,356.00$

Costs incurred in FI transactions	EUR	USD	Fees and conditions of transactions in FIs
Associated with investment service:			
Inducements to third parties	(0	
One-off costs	(0	
Ongoing costs		0	
Associated with financial instrument:	-	-	-
One-off costs:	-	-	-
- for the conclusion of the transaction		314.03	0.15% of the transaction value, min. EUR 100
- Currency exchange fee		0	
Ongoing costs: fee for custody of bonds per month		43.13	0.25% per annum, min. EUR 25 per month
Total planned charges and costs		357.16	

Client's total costs involved in **buying FI** are 209,356.00 (the value of the transaction) + 357.16 (total planned charges and costs) = USD 209,713.16,

including fee for custody of bonds per month: $207\,000 * 0.25\% / 12 = \text{USD } 43.13$

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	209,356.00
Fees as a percentage of total transaction value	0.17 %
Client's total costs involved in buying FI	209,713.16



Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 357.16, or 0.17% of the amount invested (209,356.00)
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Information about costs and charges related to investment products and illustrative calculations take into account a specific transaction and the point in time when the transaction is carried out. Fees charged for custody of financial instruments vary depending on the value of FI, as prices for FI are volatile. Therefore, the illustrations reflect the custody fees based on the purchase price calculated for one month. The custody fees are calculated at the end of each month, and the calculation takes account of FI price changes.

1.4 PURCHASE OF INVESTMENT FUND SHARES BY PLACING THE ORDER WITH THE BROKERAGE DIVISION

Illustration:

- Client intends to buy 10 000 shares of the balanced investment fund
- the current share price is EUR 10.70.

The **value of Client's transaction** is:

$$10\,000 * 10.70 = \underline{\text{EUR } 107\,000}$$

Charges and costs	EUR	Fees and conditions of transactions in FIs
Associated with investment service	0	
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs:</u> for the conclusion of the transaction	1,605.00	1.5% of the value of the transaction, min. EUR 100
<u>Ongoing costs:</u> fee for custody of fund shares	22.29 < 25	0.25% per annum, min. EUR 25 per month
Total planned charges and costs	1,630.00	

Client's total costs involved in **buying FI** are 107 000 (the value of the transaction) + 1,630.00 (total planned charges and costs) = EUR **108,630.00**,

including fee for custody of fund shares per month: $107\,000 * 0.25\% / 12 = \underline{\text{EUR } 22.29}$; **the amount of EUR 25 will be withheld.**

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	107,000.00
Fees as a percentage of total transaction value	1.52%
Client's total costs involved in buying FI	108,630.00
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 1 630, or 1.52% of the amount invested (107,000.00)

Information about costs and charges related to investment products and illustrative calculations take into account a specific transaction and the point in time when the transaction is carried out. Fees charged for custody of financial instruments vary depending on the value of FI, as prices for FI are volatile. Therefore, the



illustrations reflect the custody fees based on the purchase price calculated for one month. The custody fees are calculated at the end of each month, and the calculation takes account of FI price changes.

1.5 PURCHASE OF CFD BY PLACING THE ORDER VIA BIB TRADER PLATFORM

Illustration:

- Client intends to buy 10 000 CFD
- the current price per CFD is USD 43.70.

The **value of Client's transaction** is:

10 000 * 43.70 = USD 437 000 (the value of CFD is based on the current price)

Costs incurred in FI transactions	USD	Fees and conditions of transactions in FIs
Associated with investment service:	0	
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs:</u> for the conclusion of the transaction	250.00	USD 0.025 per contract, min. USD 50
<u>Ongoing costs:</u>		
- CFD custody fee per month	0	
- CFD financing fee	1,092.50 per month	3% per annum, is deducted automatically on BIB Trader platform at the end of each month
<u>Total planned charges and costs</u>	1,342.50	

Client's total costs involved in **buying FI** over the first month are 437 000 (the value of the transaction) + 1,342.50 (total planned charges and costs) = **USD 438,342.50**

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	437,000.00
Fees as a percentage of total transaction value	0.31%
Client's total costs involved in buying FI	438,342.50
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 1,342.50, or 0.31% of the amount invested (437,000.00)

1.6 PURCHASE OF FUTURES BY PLACING THE ORDER VIA BIB TRADER PLATFORM

Illustration:



- Client intends to buy 10 futures
- The current price per contract is USD 7500.

The **value of Client's transaction** is:

$10 * 7500 = \underline{\text{USD 75000}}$ (value of futures contracts based on the current price)

Costs incurred in FI transactions	USD	Fees and conditions of transactions in FIs
Associated with investment service		
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs</u> : for the conclusion of the transaction	150	USD 15 per contract, min. USD 50
<u>Ongoing costs</u> : custody fee for futures contracts per month	0	
Total planned charges and costs	150.00	

Client's total costs involved in **buying FI** are 75 000 (the value of the transaction) +150 (total planned charges and costs) = **USD 75,150.00**

Cumulative effect of costs and charges on investment return

Client's costs, assuming zero-charges related to investment service	75,000.00
Fees as a percentage of total transaction value	0.2%
Client's total costs involved in buying FI	75,150.00
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by USD 150, or 0.2% of the amount invested (USD 75 000)

1.7 CONCLUSION OF REPO TRANSACTION

Illustration:

- Client intends to conclude a REPO transaction
- Client intends to pledge bonds with a par value of EUR 500 000 whose current price on the market is 99.50%
- Bank's REPO rate for the transaction is 5.5%
- Bank's funding for the transaction is 70%
- Tenor (the term or maturity of a repo) is four weeks

Calculation of a REPO transaction:

$500\,000 * 99.50\% = 497\,500$ (market price of the bonds in euro)

$497\,500 * 0.7 = 348\,250$ (loan amount disbursed by Bank in euro)

$348\,250 * 5.5\% / 360 * 28 = 1489.74$ (Client's euro-denominated interest payment for the transaction upon maturity)

Costs incurred in FI transactions	EUR	Fees and conditions of transactions in FIs
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Associated with investment service:		
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs:</u>		
- for the conclusion of the transaction	50	EUR 50 per each new REPO transaction
- the entry into a REPO agreement	400	One-off (one-time) payment for formalisation of REPO-related documents: EUR 400
<u>Ongoing costs:</u> interest charged on financing	1,489.74	Loan interest rate of 5.5%
Total planned charges and costs	1,939.74	

Total costs incurred by Client, while **concluding REPO transaction** for the first time, are 50 + 1,489.74 + 400 = **EUR 1,939.74**

Total costs incurred by Client, while **concluding REPO transaction** on a recurring basis, are 50 + 1,489.74 = **EUR 1,539.74**

Total costs incurred by Client, while **extending the maturity date of REPO transaction**, make up **EUR 1,489.74**

1.8 TRADING ON THE FOREX MARKET

Illustration:

- Client intends to buy EUR 500 000 with USD
- the current exchange rate is 1.15

The **value of Client's transaction** is:

$$500\,000 * 1.15 = \text{USD } 575\,000$$

Costs incurred in FI transactions	USD	Fees and conditions of transactions in FIs
Associated with investment service:		
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs:</u> for the conclusion of the transaction	10.00	Up to USD 1 000 000: a US\$ 10 per transaction fee applies; over USD 1 000 000: no fee applies
<u>Ongoing costs:</u> fee for keeping currency position open	No fee	
Total planned charges	10.00	

Cumulative effect of costs and charges on investment return



Client's costs, assuming zero-charges related to investment service	USD 575 000
Fees as a percentage of total transaction value	0.00002%
Client's total costs involved in buying FI	USD 575 010
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by USD 10, or 0.00002% of the amount invested (575 000)

2 DEALING SERVICES

2.1 FOREIGN EXCHANGE TRANSACTIONS (FX SWAPS)

Illustration:

Client concludes FX SWAP:

- the EUR/USD currency pair
- amount invested: EUR 10 000
- risk level: high
- the planned investment horizon: 6 months
- the initial swap date: 15.05.2020
- the final swap date: 15.11.2020.

The illustration shows that Client is required to deposit (into the security deposit account), on the contract date, the amount of money equal to **10.00%** of the open currency position's value that totals **EUR 1 000** (in accordance with Bank's requirements regarding security deposit when concluding forex transactions while not using the trading platform). The requirement applies to both short and long positions. Bank's requirements regarding the security deposit will be agreed upon in a separate agreement concluded between Bank and Client. Bank-set amount of the security deposit will change on a daily basis according to the euro foreign exchange rate published by the ECB (the ECB reference rate) if the security deposit is not denominated in EUR but is denominated, for example, in USD. Until the closing date of the transaction, Client may not use the sum (deposited into the security deposit) for the purposes of his business.

Calculation of the exchange rate offered to Client:

Transaction 1: on 15 May 2020, market (spot) rate is 1.0812

Transaction 2: on 15 November 2020, market (spot) rate is 1.0812 (15 May 2020) + Market forward points 0.0042 – Bank's mark-up 0.0042 (0.4% of the currency exchange rate) = total price 1.0812

Contractual amount: EUR 10 000

Costs incurred in FI transactions	EUR	Fees and conditions of transactions in FIs
Associated with investment service:		
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs</u> : transaction-related forward points, of which:		Ranging from 0.1% to 1% of the exchange rate + market rate



- Market forward points	42.00 (0.0042 points)	
- Bank's mark-up	- 42.00 (- 0,0042 points)	
<u>Ongoing costs</u>	0	
<u>Total planned charges and costs</u>	0	Ranging from 0.1% to 1% of the exchange rate + market rate

Description of the transaction

1. Client's profile: a speculator (speculative client) who wishes to keep his currency position open.

Client anticipates that after 6 months the USD/EUR pair will trade at 1.02000

Client maintains the following open currency position: sells EUR 10 000, buys USD 10 812, at the USD/EUR exchange rate of 1.0812.

On 15 May 2020, Client concludes two transactions with Bank (here referred to as SWAP).

- Transaction 1: sells 10 812 USD /1.0812 (now, market rate is 1.0812) = buys EUR 10 000; the settlement date is 15 May 2020.
- Transaction 2: buys 10 812 USD /1.0812 (forward rate) = sells EUR 10 000; the settlement date is 15 November 2020.

Charges and costs associated with the SWAP = USD 10 812 – USD 10 812 = **USD 0**

Client's gain / loss from the SWAP is: -10 812 + 10 812 = **USD 0**

On the settlement date (15 November 2020), the USD/EUR currency pair trades at 1.02000.

On 15 November 2020, Client conducts the following speculative deal: sells 10 812 USD /1.02000 (market exchange rate) = buys EUR 10 600

2. Client's profile: an individual who wishes to hedge against undesirable exchange rate fluctuations and potential losses.

On 15 May 2020, Client concludes an export contract. The settlement date is scheduled for 16 November 2020 (after 6 months).

Contractual amount totals USD 10 812.

Client sells EUR 10 000, buys USD 10 812, the USD/EUR pair trades at 1.0812. The settlement date is 15 May 2020.

On 15 May 2020, Client concludes two transactions with Bank (here referred to as SWAP).

- Transaction 1: sells 10 812 USD /1.0812 (now, market rate is 1.0812) = buys EUR 10 000; the settlement date is 15 May 2020.
- Transaction 2: buys 10 812 USD /1.0812 (forward rate) = sells EUR 10 000; the settlement date is 15 November 2020.

Charges and costs associated with the SWAP = USD 10 812 – USD 10 812 = **USD 0**

On the settlement date (15 November 2020), the USD/EUR currency pair trades at 1.02000.

Assuming Client sells (on 15 November 2020) 10 000 EUR /1.02000 (market exchange rate) = buys USD 10 200, then

Client's gain would total: = -10 812 + 10 200 = - **USD 612 (loss)**

Client's gain / loss from the SWAP: = -10 812 + 10 812 = **USD 0**



Client's costs associated with SWAPs depend on the volatility of the currency pair and exchange rate fluctuations.

2.2. FX FORWARD

Illustration:

The illustration refers specifically to a 6-month FX Forward. Charges and costs related to forwards with other maturities are structured similarly to the illustration.

Client concludes the following FX FORWARD:

- the EUR/USD currency pair in which the U.S. dollar is the base currency and Euro is the transaction currency
- contractual amount: USD 10 000
- risk level: high
- the planned investment horizon: 6 months
- initial date of the investment: 29 April 2020
- final maturity date of the investment: 29 October 2020.

The illustration shows that Client is required to deposit (into the security deposit account), on the contract date, the amount of money equal to **10.00%** of the open currency position's value that totals **USD 1 000** (in accordance with Bank's requirements regarding security deposit when concluding forex transactions while not using the trading platform). The amount will be blocked in Client's security deposit account (i.e. earmarked and made unavailable for any transaction) for the entire tenor of the transaction (tenor refers to the length of time remaining before a financial contract expires). The requirement applies to both short and long positions. Bank's requirements regarding the amount of the security deposit will be agreed upon in a separate agreement concluded between Bank and Client. Bank-set amount of the security deposit will change on a daily basis according to the euro foreign exchange rate published by the ECB (the ECB reference rate) if the security deposit is not denominated in EUR but is denominated, for example, in USD. Until the closing date of the transaction, Client may not use the sum (deposited into the security deposit) for the purposes of his business.

Calculation of the exchange rate offered to Client:

Market (spot) rate is 1.085 (29.04.2020) + Market forward points 0.0044 – Bank's mark-up 0.0044 (0.41% of the currency exchange rate) = total price 1.085

Bank offers the following transaction to Client: Forward exchange rate with the settlement date 29 October 2020, sale of USD 10 000, purchase of EUR, exchange rate is 1.085 = 10 000 USD /1.085 = EUR 9 216.59

Costs incurred in FI transactions	EUR	Fees and conditions of transactions in FIs
Associated with investment service		
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs</u> : transaction-related forward points, of which:		Ranging from 0.1% to 1% of the exchange rate + market rate
- Market forward points	37.22 (0.0044 points)	



- Bank's mark-up	- 37.22 (- 0.0044 points)	
<u>Ongoing costs</u>	0	A zero-percent daily rollover fee (swap points)
Total planned charges and costs	0	Ranging from 0.1% to 1% of the exchange rate + market rate

Fee does not apply at opening and closing a forex transaction. The fee is expressed as Bank's mark-up. The illustration shows that **Client's gain** from the FX Forward totals EUR 0.00. depend on the volatility of the currency pair and market exchange rate fluctuations.

2.3 FOREIGN EXCHANGE MARGIN TRANSACTIONS

(without using the trading platform)

Illustration:

Client concludes the following foreign exchange margin transaction (FX MT):

- the EUR/USD currency pair
- contractual amount: EUR 100 000
- risk level: high
- initial date of the investment: 25 May 2020
- final maturity date of the investment: 27 May 2020.

Prior to originating the FX MT, Client is required to place money **into the guarantee deposit account**. Bank's requirements regarding the guarantee deposit will be agreed upon in a separate agreement concluded between Bank and Client.

Once the FX MT has been conducted, Client is required to deposit a certain sum of money **into the security deposit account** on the closing date of the transaction, if the value date of the transaction is T+1. Bank's requirements regarding the amount of the security deposit will be agreed upon in a separate agreement concluded between Bank and Client.

Bank-set amount of the security deposit will change on a daily basis according to the euro foreign exchange rate published by the ECB (the ECB reference rate) if the security deposit is not denominated in EUR but is denominated, for example, in USD. Until the closing date of the transaction, Client may not use the sum (deposited into the security deposit) for the purposes of his business.

Calculation of the exchange rate offered to Client:

Market (spot) rate is 1.0879 + FX mark-up of - 0.0010 = 1.0869 (the exchange rate offered to Client).

Client's profile: a speculator (speculative client) who wishes to keep his currency position open.

Client anticipates that after 3 days the USD/EUR pair will trade at 1.07.

On 25 May 2020, market exchange rate is 1.0879 USD/EUR.

On 25 May 2020, Client and Bank conclude the agreement according to which the exchange rate offered to Client is 1.0869 USD/EUR and the settlement date is 27 May 2020.

100 000 EUR /1.0869 = **USD 108 690**

The amount of the guarantee deposit (according to the agreement) = EUR 10 000 (10% of the transaction value)

The amount of the security deposit (according to the agreement) = EUR 2 000 (2% of the transaction value)

Total = EUR 12 000



Costs incurred in FI transactions	USD	Fees and conditions of transactions in FIs
Associated with investment service:		
Inducements to third parties	0	
One-off costs	0	
Ongoing costs	0	
Associated with financial instrument:		
<u>One-off costs:</u>	0	
Transaction closure costs / agreement termination costs	0	
Bank's mark-up	100	Ranging from 0.1% to 1% of the exchange rate + market rate
<u>Ongoing costs:</u> a daily rollover fee (swap points)	0	
Total planned charges and costs	100	Ranging from 0.1% to 1% of the exchange rate + market rate

Total charges and costs* represent FX mark-up of 0.0010 (0.1%) which in turn is expressed as Bank's mark-up (108 690 - 108 790 = - USD 100).

If Client concludes the transaction without Bank's intermediation, then the price will be 1.0879 USD/EUR, and Client's current account will receive the following amount: 100 000 EUR / 1,0869 = USD 108 790
If Client concludes the transaction with Bank's intermediation, then the price will be 1.0869 USD/EUR and Client's current account will receive the following amount: 100 000 EUR / 1.0869 = USD 108 690

** Total charges and costs can be affected by the particular characteristics of each transaction, the volume of transactions, market conditions, exchange rate fluctuations, tenors of transactions, and other factors. Therefore, the completeness and accuracy of the information provided in the illustration cannot be guaranteed.*

Cumulative effect on the capital invested is 100 USD/1.10869= - EUR 92 / EUR 12 000 *100%=0.77%

3 ASSET MANAGEMENT SERVICES

Information about costs and charges related to investment products and illustrative calculations are provided based on the size of the investment portfolio in the early stage of portfolio allocation. The charges as well as cumulative effect of costs and charges on the portfolio return vary depending on the value of FI, taking into account the variability of prices for FI. Therefore, the illustration reflects the original status of the investment portfolio and treats subsequent status of the portfolio over the entire investment period as a constant, without taking into account the variability of prices for FI.

3.1 CONSERVATIVE INVESTMENT PORTFOLIO

Amount of investments: EUR 250 000

Level of risk: low

The planned investment horizon: 2 years



Asset classes		Asset-class percentage	Approximate amount (EUR)	Transaction charges (%)	Transaction charges (EUR)
Stock funds 0%	USA	0%	0	0.30%, min. EUR 50	0
	Developed markets	0%	0		0
	Emerging markets	0%	0		0
Bond funds 100%	Investment grade	95%	237 500		712.50
	High yield	5 %	12 500		37.50<50; 50 is applicable
Total:			250 000	762.50	

Types of costs and charges	%	EUR
Associated with investment service:		
Inducements to third parties	0	0
One-off costs	0	0
<u>Ongoing costs</u> : management fee (per annum)	1.00	2 500
Associated with financial instrument:		
One-off costs: costs associated with transactions	0.30	762.50
<u>Ongoing costs</u> : custody fee (per annum)	0.18	450
Total planned charges and costs		3,712.50

Cumulative effect of costs and charges on investment return

	Investment horizon	
	1 year	2 years
Client's costs, assuming zero-charges related to investment service	250,000.00	250,000.00
Fees as a percentage of total transaction value	1.485%	2.665%
Client's total costs involved in buying FI	253,712.50	256,662.50
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 3,712.50, or 1.485% of the amount invested (250 000)	Decrease in profit by 6,662.50, or 2.665% of the amount invested (250 000)

3.2 CONSERVATIVE + INVESTMENT PORTFOLIO

Amount of investments: EUR 250 000

Level of risk: medium-low

The planned investment horizon: 3 years

Asset classes	Asset-class percentage	Approximate amount (EUR)	Transaction charges (%)	Transaction charges (EUR)
USA	15.25%	38 125		114.38



Stock funds 25%	Developed markets	9%	22 500	0.30%, min. EUR 50	67.50
	Emerging markets	0.75%	1 875		5.63<50; 50 is applicable
Bond funds 75%	Investment grade	71.25%	178 125		534.38
	High yield	3.75%	9 375		28.13<50; 50 is applicable
Total:			250 000		816.26

Types of costs and charges	%	EUR
Associated with investment service:		
Inducements to third parties	0	0
<u>One-off costs</u>	0	0
<u>Ongoing costs</u> : management fee (per annum)	1.00	2 500
Associated with financial instrument:		
<u>One-off costs</u> : costs associated with transactions	0.30	816.26
<u>Ongoing costs</u> : custody fee (per annum)	0.18	450
Total planned charges and costs		3,766.26

Cumulative effect of costs and charges on investment return

	Investment horizon	
	1 year	3 years
Client's costs, assuming zero-charges related to investment service	250,000.00	250,000.00
Fees as a percentage of total transaction value	1.51%	3.845%
Client's total costs involved in buying FI	253,766.26	259,665.26
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 3,766.26, or 1.51% of the amount invested (250 000)	Decrease in profit by 9,665.26, or 3.866% of the amount invested (250 000)

3.3 BALANCED INVESTMENT PORTFOLIO

Amount of investments: EUR 250 000

Level of risk: medium

The planned investment horizon: 5 years

Asset classes	Asset-class percentage	Approximate amount (EUR)	Transaction charges (%)	Transaction charges (EUR)
Stock funds 50%	USA	30.5%	76 250	228.75
	Developed markets	18%	45 000	135



	Emerging markets	1.5%	3 750	0.30, min. EUR 50	11.25< 50; 50 is applicable
Bond funds 50%	Investment grade	47.5%	118 750		356.25
	High yield	2.5%	6 250		18.75< 50; 50 is applicable
Total:			250000		820.00

Types of costs and charges	%	EUR
Associated with investment service:		
Inducements to third parties	0	0
One-off costs	0	0
<u>Ongoing costs</u> : management fee (per annum)	1,00	2 500
Associated with financial instrument:		
<u>One-off costs</u> : costs associated with transactions	0.30	820
<u>Ongoing costs</u> : custody fee (per annum)	0.18	450
Total planned charges and costs		3,770.00

Cumulative effect of costs and charges on investment return

	Investment horizon	
	1 year	5 years
Client's costs, assuming zero-charges related to investment service	250,000.00	250,000.00
Fees as a percentage of total transaction value	1.51%	6.23%
Client's total costs involved in buying FI	253,770.00	265,570.00
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 3,770.00, or 1.51% of the amount invested (250 000)	Decrease in profit by 15,570.00, or 6.23% of the amount invested (250 000)

3.4. BALANCED + INVESTMENT PORTFOLIO

Amount of investments: EUR 250 000

Level of risk: medium-high

The planned investment horizon: 7 years

	Asset classes	Asset-class percentage	Approximate amount (EUR)	Transaction charges (%)	Transaction charges (EUR)
Stock funds 75%	USA	45.75%	114 375	0.3, min.50 EUR	343.13
	Developed markets	27%	67 500		202.50
	Emerging markets	2.25%	5 625		16.88< 50; 50 is applicable
	Investment grade	23.75%	59 375		178.13



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Bond funds 25%	High yield	1.25%	3 125		9.38< 50; 50 is applicable
Total:			250 000		823.76

Types of costs and charges	%	EUR
Associated with investment service:		
Inducements to third parties	0	0
One-off costs	0	0
<u>Ongoing costs</u> : management fee (per annum)	1	2 500
Associated with financial instrument:		
<u>One-off costs</u> : costs associated with transactions	0.3	823.76
<u>Ongoing costs</u> : custody fee (per annum)	0.18	450
Total planned charges and costs		3,773.76

Cumulative effect of costs and charges on investment return

	Investment horizon	
	1 year	7 years
Client's costs, assuming zero-charges related to investment service	250,000.00	250,000.00
Fees as a percentage of total transaction value	1.51%	8.59%
Client's total costs involved in buying FI	253,773.76	271,473.76
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 3,773.76, or 1.51% of the amount invested (250 000)	Decrease in profit by 21,473.76 or 8.59% of the amount invested (250 000)

3.5. ACTIVE INVESTMENT PORTFOLIO

Amount of investments: EUR 250 000

Level of risk: high

The planned investment horizon: 10 years

	Asset classes	Asset-class percentage	Approximate amount (EUR)	Transaction charges (%)	Transaction charges (EUR)
Stock funds 100%	USA	51%	127 500	0.3, min.50 EUR	382.50
	Developed markets	46%	115 000		345.00
	Emerging markets	3%	7 500		22.50< 50; 50 is applicable
Bond funds 0%	Investment grade	0%	0		0
	High yield	0%	0		0



Total:	250 000	777.50
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Types of costs and charges	%	EUR
Associated with investment service:		
Inducements to third parties	0	0
One-off costs	0	0
<u>Ongoing costs</u> : management fee (per annum)	1	2 500
Associated with financial instrument:		
<u>One-off costs</u> : costs associated with transactions	0.3	777.50
<u>Ongoing costs</u> : custody fee (per annum)	0.18	450
Total planned charges and costs		3,727.50

Cumulative effect of costs and charges on investment return

	Investment horizon	
	1 year	10 years
Client's costs, assuming zero-charges related to investment service	250 000, 00	250,000.00
Fees as a percentage of total transaction value	1.491%	12.111%
Client's total costs involved in buying FI	253,727.50	280,277.50
Cumulative effect, as observed in FI transaction, of Client's costs involved in buying FI	Decrease in profit by 3,727.50, or 1.491% of the amount invested (250 000)	Decrease in profit by 30,277.50, or 12.111% of the amount invested (250 000)