

## The levels of protection and the costs associated with the various levels of segregation of securities accounts

Under Article 38(6) of Regulation (EU) No. 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No. 236/2012 (hereinafter referred to as the „Regulation“), hereby Tatra banka, a.s. (hereinafter referred to as the „Bank“) publishes a description of various levels of securities accounts, which the Bank offers in case it holds securities in the Central Securities Depository (hereinafter referred to as the „CDCP“) for its clients, including the level of protection and the costs associated with individual segregation levels.

**In the case of securities registered with the CDCP, the Bank enables its clients to choose an option to hold such securities in the form of:**

- a) omnibus client segregation (kept under Article 38(3) of the Regulation) – in this case CDCP registers all client securities together with securities of other clients on one holder account opened and kept in the CDCP in the name of the Bank under § 105(3) of Act No. 566/2001 Coll., on Securities and Investments Services (hereinafter referred to as the “Act”). For each client, the Bank keeps an individual account (in the Terms and Conditions for the Registration of Securities and Securities Trading in the Bank and related documents (hereinafter referred to as the Registration Conditions”), such securities registration is marked as an “Investment Account”). By means of the Investment Accounts, the Bank keeps records of the information about all owners of securities, for whom it keeps their securities on its holder account in the CDCP.

The Bank is not the owner of securities kept on the holder account in the CDCP.

Under § 105(9) of the Act, in relation to the acts requiring the disclosure of data on the owner of a security registered on the holder account, the data on the security holder are replaced with the Bank data, and this fact is stated. The Bank is not entitled to establish or encumber securities on the holder account by other right on its own behalf.

- b) individual client segregation (kept under Article 38(4) of the Regulation) – securities are registered separately from securities of other clients. In practice it means that, under the Bank’s client account, opened and kept in the CDCP pursuant to § 106 of the Act, the client securities are kept on the account of the owner that has been opened in the client’s name pursuant to § 105(3) of the Act (in the Registration Conditions, such owner’s account is marked as an “Account of Slovak Securities”). The person, for whom the Account of Slovak Securities is kept, is considered the owner of the securities registered in this account. For this reason, only securities of one owner may be registered in the Account of Slovak Securities.

## Protection levels

In the case of insolvency of the Bank, insolvency proceedings shall be governed by the legislation of the Slovak Republic. Under the Act, the Bank keeps records of the client's securities separately from the securities owned by the Bank or by other clients. In the case of the omnibus as well as the individual client segregation, the client securities do not constitute part of the Bank's insolvency estate. The Bank clients do not have to lay claim to securities (as in the case of the Bank's creditors), since their claim to securities (holding or ownership) is maintained.

## The costs associated with the holding of securities on various account types

Fees differ according to whether the client decides to hold his securities in the omnibus client segregation mode (i.e., on the Investment Account) or in the individual client segregation mode (i.e., on the Account of Slovak Securities).

The information about specific costs is stated in Service Charges in relation to services provided in the field of securities (hereinafter referred to as the "Service Charges") published on the Bank's website. In case third party fees (especially the CDCP fees) are added to the fees charged by the Bank, this fact is properly stated in the relevant point of the Service Charges. The current CDCP service charges can be found at the CDCP website.