

MIFID Service, execution of orders

1 What is an investment service without advice?

When you are provided with an investment service without advice, it means that **you decide independently** how you wish to invest your money. More precisely, you determine how to invest your funds in financial instruments (see 1.2). The term "execution-only service" is self-explanatory: if you instruct us to buy or sell a financial instrument, we do not provide any advice beforehand regarding that transaction.

However, before executing your order, we will check whether you are capable of assessing the risks associated with transactions in financial instruments. To do this, we will ask you about your **knowledge and experience in financial markets**. If we determine that you do not have the required knowledge and experience to understand the financial risks involved, we will issue a warning. Nevertheless, despite this warning, you may still decide to proceed with the transaction at **your own risk**.

2 What is a financial instrument?

The term "financial instruments" is a legal term used in laws applicable to banks, including our institution. It appears, for example, in the **Luxembourg law of 5 April 1993 on the financial sector (which transposes the European MIFID II regulation, EU/2014/65)**.

Financial instruments include, among others:

- Securities, e.g., shares, bonds;
- Option contracts;
- Derivative instruments;
- Units in collective investment undertakings.

2.1 How does an investment service without advice work?

2.1.1 Conditions required for providing investment services without advice

We need certain information from you to ensure that the orders you ask us to execute are **appropriate** given your knowledge and experience of financial markets. To this end, we will request specific

personal information. This is required by law: we are not allowed to execute a transaction in financial instruments without having first obtained and assessed this information, and informed you of whether the transaction is appropriate or not.

We will ask questions specifically about your **experience and knowledge** regarding investments in financial instruments, providing concrete examples. (Unlike portfolio management or investment advice services, we will not consider your financial situation or investment objectives.)

Providing **accurate and complete answers** protects you. If you do not provide sufficient information, we will be unable to assess your knowledge and experience and therefore the appropriateness of a transaction. In this case, we will issue a warning beforehand.

You will need both a **securities account** and a **settlement account** for transactions in financial instruments under an execution-only service.

A securities account is a special type of bank account used to hold your financial instruments. It also includes a settlement account, which we use to process all cash movements. A current account typically serves as the settlement account.

You may then give us buy or sell orders for financial instruments. Orders may be submitted in several ways:

- In person at the branch;
- By telephone;
- Through online banking.

2.1.2 What happens at the time of order execution for an investment without advice?

We do not immediately execute your buy or sell orders. Upon receiving an order, we must **verify whether the selected financial instruments are appropriate** (i.e., whether you understand the typical risks involved). This process is almost immediate and automated.

Our assessment may indicate that the financial instrument is not appropriate for you. It may also show that you have not provided us with the necessary information. In both cases, we will inform you in advance. You will then decide whether we should proceed with executing your order.

Before accepting your order, you will generally receive “**pre-contractual cost information**” from us. This includes an overview of all potential costs and fees related to the transaction. The cost information may also disclose whether we receive a payment from a third party in connection with the transaction—for example, a payment from a fund provider.

2.1.3 How are buy and sell orders for financial instruments executed?

Your buy and/or sell orders can be executed in different ways, including:

- **Fixed-price transactions** (see 1.4.1),
- **Transactions for your account in our name** (see 1.4.2),
- **Transactions in your name and on your behalf** (see 1.4.3),
- **Reception and transmission of orders** (see 1.4.4).

2.1.4 Fixed-price transactions

In a fixed-price transaction, you enter into a purchase agreement directly with us (in our name and for our account) for a specific financial instrument. The price is either fixed or determinable. That means the price is clearly set or can be calculated based on predefined criteria.

2.1.5 Transactions in our name, on your behalf

We act in our own name, but on your behalf (and at your expense), in dealings with other financial market participants—such as issuers of financial instruments. If a transaction is concluded with such a party, they will execute your order.

2.1.6 Transactions in your name, on your behalf

Here, we act in your name and on your behalf in dealings with financial instrument issuers. With our assistance, you enter into an agreement with the issuer.

2.1.7 Reception and transmission of orders

In this case, we act as an intermediary and **transmit your order** to a financial instrument issuer (or intermediary). You then enter directly into a contract with this party.

2.2 What happens after the execution of buy or sell orders?

Once your order is executed, you will receive a **securities account statement**, which includes important information about the transaction. If the order could not be executed, we will inform you as soon as possible.

When you **buy** financial instruments, we record them in your securities account. When you **sell**, they are removed. Simultaneously, your current account is debited or credited:

- In case of a **purchase**, your account is debited for the purchase price.
- In case of a **sale**, the proceeds are credited to your account (taxes may be withheld if applicable).
- Transaction costs are also debited from your account.

The currency of the financial instrument may differ from your account currency. In that case, we will carry out a **currency conversion**. For example, if the instrument is traded in USD and your account is in EUR, we will convert the USD amount into EUR for posting to your account.

You will receive regular updates on the financial instruments we hold and manage for you in your securities account.

In addition, you will receive an **annual statement of all actual costs** incurred for execution-only transactions during the past year. This is referred to as the “**ex-post cost disclosure**”.

We ensure that income from your financial instruments—such as interest or dividends—is credited to your account. If we hold shares on your behalf, we will assist you in exercising your **voting rights** at the company’s annual general meeting.

All such arrangements will be set out in your **securities account agreement**.

2.3 What are the costs associated with execution-only investment services?

There are various fees associated with execution-only financial transactions. These include:

- **Order execution fees,**
- **Custody account maintenance fees,**
- **Currency conversion fees** (see 1.5).

2.4 Is there a specific contract duration for a securities account? What are the cancellation terms?

The securities account agreement is entered into for an **indefinite duration**.

You may terminate it at any time without notice.

As a bank, we generally apply a **notice period of at least [.] XXXX months**.

2.5 Is there a right of withdrawal under a securities account agreement?

As a consumer, you may **withdraw from the agreement within 14 days** of entering into the contract. However, this only applies if the agreement was concluded **remotely** (online or by phone). You will receive certain legal information from us in such cases. The withdrawal period begins once the contract is signed and all legal disclosures have been received. Only if a right of withdrawal exists will you receive **specific instructions** before entering into the contract.

There is generally **no right of withdrawal** once you have bought or sold a financial instrument. Exceptions may apply. If such a right exists in specific cases, we will provide the corresponding withdrawal instructions before the contract is concluded.

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