

Due diligence assessment of clearing clients and price information

To assess the risks arising from Bayerische Landesbank's clearing services, we require transparency regarding the nature, scope and complexity of our clearing clients' business activities. To this end, we perform appropriate due diligence assessments in accordance with the requirements of MiFID II (Art. 25 (1) Delegated Regulation (EU) 2017/589)¹.

In this context, we examine in particular the following topics:

- a) client credit rating;
- b) internal risk control systems;
- c) intended trading strategy;
- d) payment systems and arrangements that enable the prospective clearing client to ensure a timely transfer of assets or cash as margin, as required by the clearing firm (Bayerische Landesbank) in relation to the clearing services it provides;
- e) system settings and access to information that help the prospective clearing client to respect any maximum trading limit agreed with the clearing firm;
- f) any collateral provided to BayernLB by the prospective clearing client;
- g) operational resources, including technological interfaces and connectivity;
- h) any involvement of the prospective clearing client in a breach of the rules ensuring the integrity of the financial markets, including involvement in market abuse, financial crime or money laundering activities.

Bayerische Landesbank annually reviews the extent to which its assessments remain true.

Price overview for clearing services for exchange-traded and OTC derivatives

The following price overviews establish the framework for pricing our clearing services in accordance with Art. 38 Regulation (EU) No 648/2012 (EMIR) and Art. 27 (1) Delegated Regulation (EU) 2017/589. The fees stated vary according to the clearing products selected and in each case show the respective maximum

¹ With regard to "client clearing", please also refer to the "Information document on client clearing" available in the same folder. [Link to website](#)

amounts of the service, i.e. without any potential rebates. These fees are stated as Bank fees for providing service(s). External fees incurred from third parties, e.g. CCPs or stock exchanges are not impacted by this and are passed on to the client. The corresponding fees are to be found on the web pages of the respective CCPs/stock exchanges.

Each clearing client is assessed individually on the basis of the necessary processes, capital requirements and the risks of its trading strategy. On this basis, reduced fees may be granted. Examples for granting more favourable conditions include:

- Low or very high scope of trading
- Low-risk trading strategy
- Very good client credit rating
- The client uses the offered standard processes, platforms and reporting structures
- The client uses a normal account structure (depending on the clearing house)
- The client has a low open position (outstanding risk position), i.e. a balanced portfolio

Fee model of exchange-traded derivatives (excl. commodities)

The fee model for exchange-traded derivatives is made up of an order & clearing fee and a fee based on the level of the initial margin:

Fee per order	Currently no order fee
Fee on CCP initial margin	50 bps on initial margin utilisation

Voluntary excess security (amount exceeding the actual initial margin requirement) is not subject to a fee.

Fee model of exchange-traded commodity spot transactions and derivatives

The fee model is made up of a volume-dependent fee per traded Mwh/tonne and a fee for account management in the case of individual client accounts:

Fee per Mwh/tonne (spot & forward)	EUR 0.015
Fee for individual client account	EUR 5,000/month

Due to the operating complexity of an individual client account in exchange-based clearing and the resulting process costs, BayernLB charges a monthly fee of EUR 5,000 per account. In addition, there can be fees from the respective clearing house for the individual account. These fees are passed on accordingly to the client.

Fee model OTC interest derivatives clearing

The fee model for OTC interest derivatives is made up of an EMIR service fee and additional variable fees as shown below.

EMIR service fee	EUR 75,000 p.a.
Initial margin fee	25 bps on the initial margin requirements
Backloading fee	EUR 100 (per ticket/trade)

The CCPs calculate interest for collateral deposited by you. For cash amounts these can be negative. Furthermore, CCPs charge fees for managing the respective collateral (cash and securities collateral). Bayerische Landesbank will pass on to the client interest incurred (positive and negative) and fees in line with the other CCP and stock exchange fees on the basis of origin. The current conditions are to be found on the web pages of the respective CCPs. On own accounts Bayerische Landesbank will apply interest rates (and also fees) in line with the service and price schedule for account management.

The Bank reserves the right to charge additional fees for any additionally incurred services.

The fees stated are guide values which are subject to change. This relates particularly to regulatory changes and/or changes in the process and cost structure of the respective clearing houses.

Bayerische Landesbank can require its clients to maintain a minimum level of activity to cover the ongoing costs for providing the clearing services.

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