Information on the expected costs of the product offered and the service provided

I. Expected costs associated to a binary option transaction

Expected costs associated with the purchase of a FX option		
Type of costs	**Value in EUR**	**Percentage value**
Product costs	1 000 € - 2 000 €	0.10% - 0.20%
- one-off costs	1 000 € - 2 000 €	0.10% - 0.20%
Service costs	5 000 € - 10 000 €	0.50% - 1.00%
- one-off costs	5 000 € - 10 000 €	0.50% - 1.00%
Payments from third parties	0 €	0%
Total costs	6 000 € - 12 000 €	0.60% - 1.20%

Expected costs and fees related to a sale of a FX option		
Type of costs	**Value in EUR**	**Percentage value**
Product costs	1 000 € - 2 000 €	0.10% - 0.20%
- one-off costs	1 000 € - 2 000 €	0.10% - 0.20%
Service costs	0 € - 2 000 €	0.00% - 0.20%
- one-off costs	0 € - 2 000 €	0.00% - 0.20%
Payments from third parties	0 €	0%
Total costs	1 000 € - 4 000 €	0.10% - 0.40%

Example:
Client buys a binary FX option on EUR/USD with the following parameters:

- Nominal value – EUR 1 000 000
- Course of exercise - 1.1700
- Term – 3 months
- The above total costs do not include the average market value of the premium (calculated through Bloomberg[1]) and based on an indicative nominal value of 1 000 000 EUR.
- Average market value of the premium (calculated through Bloomberg) – EUR 16 000
- Product costs – EUR 1 000
- Service costs – EUR 5 000
- Premium paid by the customer: 16 000 + 1 000 + 5 000 = EUR 22 000

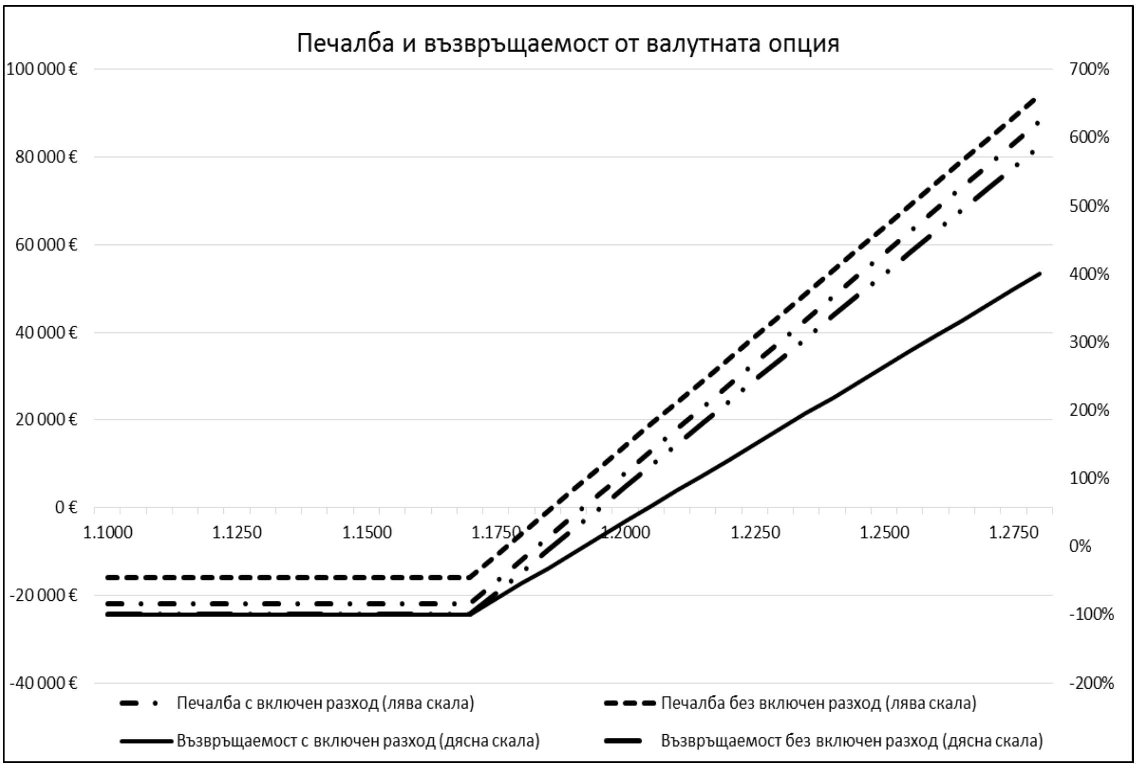
The client – buyer of the option owes the Bank a premium for purchasing the option, which includes the average market value of the premium, the cost of the product and the cost of the service.

II. Cumulative effect of costs in the provision of investment services on returns

The FX Option is a derivative financial instrument The currency option is a derivative instrument and it is characteristic that its return depends on its value and the amount invested. In turn, the value of the currency option depends on the following parameters:

- Market spot rate
- Exercise rate of the option
- Base currency interest rate
- Quoted currency interest rate
- The time to maturity of the option
- Exchange rate volatility

For illustrative purposes, below is presented a scenario for the profit and return of the option from the above example at its maturity:



The earnings on the investment are calculated as follows:

- Profit = Max {0; ((spot maturity rate – exercise rate)*Nominal value)/spot maturity rate} – Investment

The return is calculated as follows:

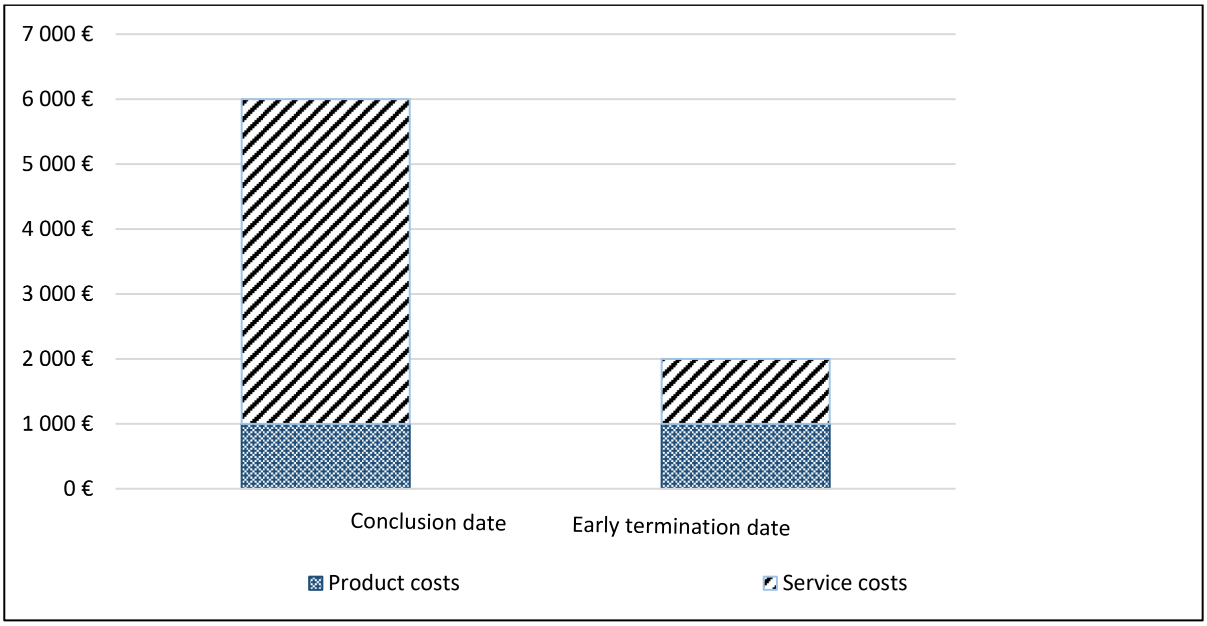
- Return = Profit / Investment

The investment without included expenses is equal to the average market value of the premium.

The investment with included expense is equal to the premium paid by the customer (includes product costs and service costs).

Taking into account the characteristics of the product currency option, sharp changes or fluctuations in costs are not expected from those presented above.

Expected costs of concluding the transaction and selling the option before maturity.
Payments are made from open customer accounts with DSK Bank.



The expected transaction costs are based on the example above.

[1] Bloomberg is an information system for markets in financial instruments, including a system for providing quotes and trading between leading international financial institutions.