



ARTICLE 38(6) CSDR PARTICIPANT DISCLOSURE

PART I

COMMON DISCLOSURE

1. Introduction

The purpose of this document is to disclose the levels of protection associated with the different levels of segregation that Citibank Europe plc, acting directly through our head office in Ireland or through one of our branches established in other EEA member states (*we*), provides in respect of securities that we hold directly for clients with Central Securities Depositories within the EEA (*CSDs*), including a description of the main legal implications of the respective levels of segregation offered and information on the insolvency law applicable. This disclosure is required under Article 38(6) of the Central Securities Depositories Regulation (*CSDR*) in relation to CSDs in the EEA.

This disclosure is comprised of two Parts. The first Part contains information which will be relevant to clients regardless of whether they are contracting directly with us through our head office or one of our branches in the EEA. The second Part contains information set out in the country annexes at the end of this document which will only be relevant to clients if they are contracting with us through one of our branches in the EEA. Clients should refer to the relevant country annex for further information on the levels of segregation offered and treatment under applicable insolvency laws where they are dealing through one of our branches in the EEA.

For those jurisdictions in which we have branches but for which there is no separate country annex in Part II, no additional disclosures are made other than those included in Part I.

Under CSDR, the CSDs of which we are a direct participant (see glossary) have their own disclosure obligations and we include links to those disclosures in this document.

This document is not intended to constitute legal or other advice and should not be relied upon as such. Clients should seek their own legal advice if they require any guidance on the matters discussed in this document.

2. Background

We record each client's individual entitlement to securities that we hold for that client in one or more client securities accounts established and maintained for such client in our own books and records pursuant to the terms of the custodial services agreement between the client and us. We also open accounts with the CSDs in which we hold clients' securities. We currently make two types of accounts with the CSDs available to clients: Individual Client Segregated Accounts (*ISAs*) and Omnibus Client Segregated Accounts (*OSAs*).



An ISA is used by us to hold the securities of a single client and therefore the client's securities are held by us in a CSD account which is separate from accounts used to hold the securities of other clients and our own proprietary securities.

An OSA is used by us to hold the securities of a number of clients on a collective basis. However, we do not hold our own proprietary securities in OSAs.

3. Main legal implications of levels of segregation

Insolvency

Clients' legal entitlement to the securities that we hold for them directly with the CSDs would not be affected by our insolvency, whether those securities were held in ISAs or OSAs.

The distribution of the securities in practice on an insolvency would depend on a number of factors, the most relevant of which are discussed below.

Application of Irish insolvency law

Were we to become insolvent, our insolvency proceedings would take place in Ireland and be governed by Irish insolvency law.

Under Irish insolvency law, securities that we held on behalf of clients would not form part of our estate on insolvency for distribution to creditors, subject to any security interest we may have and provided that they remained the property of the clients. Rather, they would be deliverable to clients in accordance with each client's proprietary interests in the securities.

As a result, it would not be necessary for clients to make a claim in our insolvency as a general unsecured creditor in respect of those securities. Securities that we held on behalf of clients would also not be subject to any bail-in process in Ireland (see glossary), which may be applied to us to limit or reduce any of our obligations if we were to become subject to Irish resolution proceedings (see glossary).

Accordingly, where we hold securities in custody for clients and those securities are considered the property of those clients rather than our own property, they should be protected on our insolvency or resolution. This applies whether the securities are held in an OSA or an ISA.

Application of branch insolvency law

Pursuant to local laws of the jurisdictions where our branches through which we participate in the relevant EEA CSDs are located, those branches would not be subject to local insolvency proceedings in those jurisdictions, but only to insolvency proceedings in Ireland, as described in the preceding section.

Conversely, CEP London branch may be subject to local insolvency or resolution proceedings in the UK. Such proceedings would be governed by local laws of the UK. However, we do not participate directly in any EEA CSDs through CEP London branch (or through any other non-EEA branches of CEP).



Nature of clients' interests

Although our clients' securities are recorded in our name at the relevant CSD, we hold them on behalf of our clients, who are considered as a matter of law to have a beneficial proprietary interest in those securities. This is in addition to any contractual right a client may have against us to have the securities delivered to them.

This applies both in the case of ISAs and OSAs. However, the nature of clients' interests in ISAs and OSAs is different. In relation to an ISA, each client is beneficially entitled to all of the securities held in the ISA attributable to that client. In the case of an OSA, as the securities are held collectively in a single account, each client is normally considered to have a beneficial interest in all securities in the account proportionate to its holding of securities as recorded in our books and records.

Our books and records constitute evidence of our clients' beneficial interests in the securities. The ability to rely on such evidence would be particularly important on our insolvency and in the case of an OSA, since no records of individual clients' entitlements would be held by the relevant CSD.

We are subject to the client asset provisions under Part 12 of the Irish MiFID Regulations (see glossary) (***Client Asset Rules***) in Ireland, which contain requirements as to the maintenance of accurate books and records and the reconciliation of our records against those of third parties that hold client assets on our behalf (which include CSDs with which accounts are held). We are also subject to audits in respect of our compliance with those rules. Subject to the maintenance of books and records in accordance with the Client Asset Rules, clients should receive the same level of regulatory protection from both ISAs and OSAs.

Shortfalls

If there were a shortfall between the number of securities that we are obliged to deliver to clients and the number of securities that we hold on their behalf in either an ISA or an OSA, this could result in fewer securities than clients are entitled to being returned to them on our insolvency. The way in which a shortfall could arise would be different as between ISAs and OSAs (see further below).

How a shortfall may arise

We do not permit clients to make use of or borrow securities belonging to other clients for intra-day settlement purposes, even where the securities are held in an OSA, in order to reduce the chances of a shortfall arising as a result of the relevant client failing to meet its obligation to reimburse the OSA for the securities used or borrowed.

Where we have been requested to settle a transaction for a client and that client has insufficient securities held with us to carry out that settlement, in the case of both an ISA and an OSA, we only carry out the settlement once the client has delivered to us the securities needed to meet the settlement obligation.

However, a shortfall could arise as a result of an inadvertent administrative error or operational issues.



Nothing in this paragraph should be construed to override any obligation that the client owes us in respect of any irrevocable payment or delivery obligations (as these terms are defined in the custodial services agreement which we have in place with the client as amended or supplemented from time to time) which we incur in settling that client's trades.

Treatment of a shortfall

In the case of an ISA, the whole of any shortfall on the relevant account would be attributable to the client for whom the account is held and would not be shared with other clients for whom we hold securities. Similarly, the client would not be exposed to a shortfall on an account held for another client or clients.

In the case of an OSA, the shortfall would be shared among the clients with an interest in the OSA. **Therefore, a client may be exposed to a shortfall even where securities have been lost in circumstances which are completely unrelated to that client.**

If a shortfall arose for which we are liable to the client, the client may have a claim against us for any loss suffered. If we were to become insolvent prior to covering a shortfall, clients would rank as general unsecured creditors for any amounts owing to them in connection with such a claim. Clients would therefore be exposed to the risks of our insolvency, including the risk that they may not be able to recover all or part of any amounts claimed.

In these circumstances, clients could be exposed to the risk of loss on our insolvency. If securities were held in an ISA, the entire loss (equal to the shortfall) would be borne by the client for whom the relevant account was held. If securities were held in an OSA, each of the clients with an interest in that account would bear a loss equal to the amount of the shortfall allocated to it.

In order to calculate clients' shares of any shortfall in respect of an OSA, each client's entitlement to securities held within that account would need to be established as a matter of law and fact based on our books and records. Any shortfall in a particular security held in an OSA would then be allocated among all clients with an interest in that security in the account. It is likely that this allocation would be made rateably between clients with an interest in that security in the OSA, although arguments could be made that in certain circumstances a shortfall in a particular security in an OSA should be attributed to a particular client or clients. It may therefore be a time consuming process to confirm each client's entitlement. This could give rise to delays in returning securities and initial uncertainty for a client as to its actual entitlement on an insolvency. Ascertaining clients' entitlements could also give rise to the expense of litigation, which could be paid out of clients' securities in the event of our insolvency.

Security interests

Security interest granted to a third party other than a CSD

Security interests granted over clients' securities (which for the avoidance of doubt must always be granted in accordance with the terms of the custodial services agreement and/or additional contractual agreements that we have in place with them) could have a different impact in the case of ISAs and OSAs.



Where the client purports to grant a security interest over its interest in securities held by us which we hold in an OSA and the security interest was asserted against the CSD with which the account was held, there could be a delay in the return of securities from that account to all clients holding securities in the relevant account. However, in practice, we would expect that the beneficiary of a security interest over a client's securities would perfect its security by notifying us rather than the relevant CSD and would seek to enforce the security against us rather than against such CSD, with which it had no relationship. We would also expect the CSDs to refuse to recognise a claim asserted by anyone other than ourselves as account holder.

Security interest granted to CSD

Whether or not the CSD may benefit from a security interest will be regulated by the CSD's own rules. Such rules may also regulate the CSD's approach to enforcement of such security interest. Should the CSD benefit from a security interest over securities held for a client, there could be a delay in the return of securities to a client (and a possible shortfall) in the event that we failed to satisfy our obligations to the CSD and the security interest was enforced. This applies whether the securities are held in an ISA or an OSA. However, in practice, we would expect that a CSD would first seek recourse to any securities held in our own proprietary accounts to satisfy our obligations and only then make use of securities in client accounts. We would also expect a CSD to enforce its security rateably across client accounts held with it.

Furthermore, the Client Asset Rules restrict the situations in which we may grant a security interest over securities held in a client account.

Corporate actions

Where securities are held in an ISA and the client is entitled to a fractional entitlement on a corporate action, it is possible that the client would not in practice benefit from that fractional entitlement. However, where securities are held in an OSA, fractional entitlements may be received on an aggregated basis and therefore it is more likely that the clients may be able to benefit from some or all of those fractional entitlements.

Our insolvency may also have an impact on our ability to collect any entitlements, such as dividends, due on clients' securities held in an ISA or OSA or exercise any voting rights in respect of those securities.

4. CSD disclosures

Where available, set out below are links to the disclosures which have been made by the CSDs in which we are participants as of the date of this document.

For those CSDs which have not yet prepared their disclosures, we have set out links to their websites where disclosures may be made available at a future date.

These disclosures have been provided by the relevant CSDs. We have not investigated or performed due diligence on the disclosures and clients rely on the CSD disclosures at their own risk.

CSD Participant	Jurisdiction	CSDs	Links to CSD disclosures or websites
Citibank Europe plc, Head Office	Ireland	OeKB CSD GmbH (OeKB) (Austria)	http://www.oekb-csd.at/en
		VP Securities A/S (Euronext Securities Copenhagen) (Denmark)	https://www.vp.dk
		Clearstream Banking AG	http://www.clearstream.com
		Euroclear Bank SA/NV	https://my.euroclear.com/apps/en/reference-search.html?q=eq:rights%20of%20participants&entity=eq:ef:eui:eb&limit=0
		Interbolsa Central de Valores (Euronext Securities Porto) (Portugal)	https://www.interbolsa.pt/Default.aspx?tabid=313
		Euroclear Belgium	https://www.euroclear.com/services/en/provide-r-homepage/euroclear-belgium.html
		Banque Nationale de Belgique	https://www.nbb.be/en/payments-and-securities/securities-settlement-system-nbb-sss
		Euroclear France SA	https://www.euroclear.com/services/en/provide-r-homepage/euroclear-france.html
		Euroclear Nederland	https://www.euroclear.com/services/en/provide-r-homepage/euroclear-nederland.html https://my.euroclear.com/dam/ESES/Shared/ES/ESServicesTempUploads/TempESECustody/LG0430.pdf
		Clearstream Banking AG Frankfurt	http://www.clearstream.com
		Iberclear (Spain)	www.iberclear.es/
		Monte Titoli SpA (Euronext Securities Milan)	https://www.euronext.com/en/post-trade
		Verdipapirsentralen ASA (Euronext Securities Oslo)	https://www.vps.no/pub/
Euroclear Finland Oy	https://www.euroclear.com/finland/en.html		
Citibank Europe plc, Bulgaria Branch	Bulgaria	Tzentralen Depozitar AD (CD AD)	http://www.csd-bg.bg/
		Bulgarian National Bank (BNB)	http://www.bnb.bg/index.htm
Citibank Europe plc, organizační složka	Czech Republic	Centralni depozitar cennych papiru, a.s. (CDCP)	https://www.cdcp.cz/index.php/en
		Registration Centre of the Czech National Bank – SKD	http://www.cnb.cz/en
		Clearstream Banking SA	http://www.clearstream.com
Citibank Europe plc, Athens Branch	Greece	Athens Central Securities Depository - ATHEXCSD (Greece)	http://www.helix.gr/web/guest/functions-depository

CSD Participant	Jurisdiction	CSDs	Links to CSD disclosures or websites
		Bank of Greece Securities Settlement System (BOGS) (Greece) ¹	http://www.bankofgreece.gr/Pages/en/PaymentSystems/default.aspx
		Cyprus Stock Exchange (Cyprus)	http://www.cse.com.cy/en-GB/central-depository/
Citibank Europe plc, Hungarian Branch Office	Hungary	Központi Elszámolóház és Értéktár Rt (KELER)	www.keler.hu
Citibank Europe plc, Luxembourg Branch	Luxembourg	Clearstream Banking S.A.	http://www.clearstream.com
		Euroclear Bank SA/NV	https://my.euroclear.com/apps/en/reference-search.html?q=eq:rights%20of%20participants&entity=eq:ef:eui:eb&limit=0
Romania – Citibank Europe plc, Dublin, Romania Branch	Romania	Depozitarul Central S.A.	http://www.depozitarulcentral.ro/home/index.aspx
		National Bank of Romania - NBR (SaFIR)	http://www.bnro.ro/SaFIR-3306.aspx
Slovak Republic - Citibank Europe plc, pobočka zahraničnej banky	Slovak Republic	Centralny Depozitar Cennych Papierov SR	https://www.cdcp.sk/en
Citibank Europe plc, Sverige filial	Sweden	Euroclear Sweden AB	https://www.euroclear.com/sweden/en.html

¹ Please note the reference to BOG is retained in the table for completeness around the entities used in Greece, however the:

- disclosure is made pursuant to article 38 (6) of the CSDR, which introduces relevant disclosure requirement only regarding CSDs and CSDs participants (i.e. ATHEXCSD and ATHEXCSD participants, respectively, for the Greek market), and that
- Greek Law 4569/2018, implementing the CSDR explicitly excludes from its CSDR implementing provisions the BOGS (article 1 paragraph 2 thereof).



GLOSSARY

bail-in refers to the process under the European Union (Bank Recovery and Resolution) Regulations 2015 (as amended) to failing Irish banks and investment firms under which the firm's liabilities to clients may be modified, for example by being written down or converted into equity.

Central Securities Depository or ***CSD*** is an entity which records legal entitlements to dematerialised securities and operates a system for the settlement of transactions in those securities.

Central Securities Depositories Regulation or ***CSDR*** refers to Regulation (EU) No 909/2014, which sets out rules applicable to CSDs and their participants.

direct participant means an entity that holds securities in an account with a CSD and is responsible for settling transactions in securities that take place within a CSD. A direct participant should be distinguished from an indirect participant, which is an entity, such as a global custodian, which appoints a direct participant to hold securities for it with a CSD.

EEA means the European Economic Area.

Irish MiFID Regulations means the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) of Ireland (as amended).

resolution proceedings are proceedings for the resolution of failing Irish banks and investment firms under the European Union (Bank Recovery and Resolution) Regulations 2015 (as amended).



PART II

COUNTRY ANNEXES

1. Bulgaria - Citibank Europe plc, Bulgarian Branch

Application of Bulgarian insolvency law

Pursuant to Bulgarian law, our branch in Bulgaria would not generally be subject to local insolvency proceedings in Bulgaria, but only to insolvency proceedings in Ireland, as described in Part I (*Application of Irish insolvency law*). However, it is possible that certain ancillary insolvency proceedings may take place in Bulgaria against the assets located in Bulgaria, although to the extent that client assets remain segregated from our own assets, such assets would not form part of our insolvency estate for the purposes of Bulgarian ancillary proceedings.

Security interest granted to CSD

In addition to the Client Asset Rules, the Bulgarian law principle of segregation of assets also restricts the situations in which we may grant a security interest over securities held in a client account.

2. Cyprus - Citibank Europe plc, Athens Branch

References to beneficial interests

Due to the nature of proprietary rights under Cyprus law, clients should treat all references in Part I to "beneficial interest in", "beneficially entitled to", etc. as references to "proprietary interest in", "having a proprietary interest in", etc.

Background

ISAs are made available to clients in the form of "Investor's share accounts" and are created by our Greek branch in the name of the client in the relevant CSD, following the receipt of the client's written instructions.

A "Securities Account" (in which securities are held or may be held under the control of our Greece branch) is held in the CSD.

The creation of an OSA is only permitted in so far as the following provisions are fulfilled:

- (i) the account refers to government bonds and/or bonds which are issued by the European Central Bank and
- (ii) the account is created only in the name of legal entities,

Also an OSA may be created in the name of a Credit Institution or Financial Organisation from Countries of the European Economic Area or a third Country which according to the decision of the Advisory Authority has been determined that imposes procedures and measures preventing money laundering and financing terrorism, equivalent with the requirements of Directive 2005/60/EC.

In case of ISAs, clients are owners of the accounts and are presumed to be owners of the securities held in them.



Where our Greek branch maintains OSA, it must confirm that the number of securities that the share account pertains to is the same as the total number of securities allocated to each separate beneficiary at the given time, and it also has the obligation to have made the necessary arrangements in order to be in a position to respond to any request of the Cyprus Securities and Exchange Commission for the collection of information in regards to the final beneficial owners of the securities.

Nature of clients' interests

As a result of the account holding structure of our Greek branch's clients' accounts in Cyprus:

(a) in relation to an ISA which is maintained and is under the control of our Greek branch, the securities are in the name of our clients who are considered by the issuers as the owners of those securities;

(b) in relation to an OSA, we act as agent of our clients whose securities are pooled in the omnibus accounts.

Security interest granted to a third party other than a CSD

The pledge on securities registered in the relevant CSD shall be valid and effective provided the relevant securities are placed in a Special Account (which is created in the relevant CSD within the ISA) and provided certain requirements (including the submission of a pledge agreement) are met.

3. Czech Republic - Citibank Europe plc, organizační složka

References to beneficial interests

Due to the nature of proprietary rights under Czech law, clients should treat all references in Part I to "beneficial interest in", "beneficially entitled to", "entitlement", etc. as references to "ownership right to", "being an owner of", "ownership right", etc.

Background

There are certain differences in how the accounts opened with our Czech branch are held as compared to the description in Part I (*Background*).

ISAs are made available to clients in the form of owner's accounts opened and maintained by the relevant CSD in the name of a particular client. OSAs are opened and maintained by the relevant CSD in our own name.

In case of ISAs, clients are owners of the accounts and are presumed to be owners of the securities held in them. If we hold clients' securities in an OSA at the CSD, individual clients' entitlements in the securities will be evidenced on our own books and records that we maintain in respect of the OSA. The client is an owner of the account maintained on our own books and records and is presumed to be the owner of the securities evidenced in such account.



Nature of clients' interests

As a result of the account holding structure in our Czech branch, (i) our clients' securities are registered in our name in an OSA at the relevant CSD, (ii) we hold them on behalf of our clients who are considered owners of those securities and (iii) these securities are evidenced on an account opened and maintained for each client separately on our own books and records that are maintained in respect of the OSA at the CSD.

Furthermore, in relation to an ISA, each client is presumed to be an owner of all the securities held in the ISA opened in the name of that client. In the case of an OSA, as the securities are held collectively in a single account, each client is normally considered to be entitled to the relevant securities in the account proportionate to its holding of securities as recorded on an account opened and maintained for each client separately on our own books and records.

Treatment of shortfall

Due to the different account holding structure offered by our Czech branch, there are also certain differences in the treatment of shortfalls, depending on the type of account.

In the case of an ISA or the account maintained on our own books and records, the whole of any shortfall on the relevant account would be attributable to the client for whom the account is held and would not be shared with other clients for whom we hold securities.

In case of a shortfall in an ISA or an account on our own books and records linked to an OSA, the entire loss (equal to the shortfall) would be borne by the client for whom the relevant account was held. In case of a shortfall in an OSA, each of the clients with an interest in that account would bear a loss equal to the amount of the shortfall allocated to it.

4. Greece - Citibank Europe plc, Athens Branch

References to beneficial interests

Due to the nature of proprietary rights under Greek law, clients should treat all references in Part I to "beneficial interest in", "beneficially entitled to", "entitlement", etc. as references to "ownership right to", "being an owner of", "ownership right", etc.

Background

There are certain differences in how the accounts opened with our Greek branch are held as compared to the description in Part I (*Background*).

ISAs are made available to clients in the form of owner's accounts opened and maintained by the relevant CSD in the name of a particular client. OSAs are opened and maintained by the relevant CSD in our own name.

In case of ISAs, clients are owners of the accounts and are presumed to be owners of the securities held in them. If we hold clients' securities in an OSA at the CSD, individual clients' entitlements in the securities will be evidenced on our own books and records that we maintain in respect of the OSA. The client is an owner of the



account maintained on our own books and records and is presumed to be the owner of the securities evidenced in such account.

Nature of clients' interests

As a result of the account holding structure in our Greek branch:

(a) in relation to an OSA: (i) our clients' securities are registered in our name in an OSA at the relevant CSD, (ii) we hold them on behalf of our clients who are considered owners of those securities and (iii) the owners of the securities are evidenced through an account opened and maintained for each client separately on our own books and records that are maintained in respect of the OSA at the CSD;

(b) in relation to an ISA, each client is presumed to be the owner of all the securities held in the ISA opened in the name of that client.

Security interest granted to a third party other than a CSD

As far as securities held with one of the relevant CSDs, the Athens Exchange (ATHEX), are concerned, as a matter of Greek law it is not practically possible for a third party to benefit from a security interest over client securities while these securities are held in an OSA and thus cause any delay or implication in the procedure of returning the securities to other clients who hold such securities in the relevant OSA. The security interest could be granted to a third party only in respect of securities held in an ISA. Therefore, in order to grant a security interest over securities held in an OSA, such securities should first be transferred in an ISA held in the name of the security interest provider.

5. Hungary - Citibank Europe plc, Hungarian Branch Office

References to beneficial interests

Due to the nature of proprietary rights under Hungarian law, clients should treat all references in Part I to "beneficial interest in", "beneficially entitled to", etc. as references to "title to", "having a title to", etc.

6. Slovak Republic - Citibank Europe plc, pobočka zahraničnej banky

References to beneficial interests

Due to the nature of proprietary rights under Slovak law, clients should treat all references in Part I to "beneficial interest in", "beneficially entitled to", "entitlement", etc. as references to "ownership right to", "being an owner of", "ownership right", etc.

Background

There are certain differences in how the accounts opened with our Slovak branch are held as compared to the description in Part I (*Background*).

ISAs are opened and maintained by our Slovak branch as a CSD member (with the relevant CSD) in the name of a particular client. OSAs are opened and maintained by the relevant CSD in our own name.



In case of ISAs, clients are owners of the accounts and are presumed to be owners of the securities held in them. If we hold clients' securities in an OSA at the CSD, individual clients' entitlements in the securities will be evidenced on our own books and records that we maintain in respect of the OSA. The client is an owner of the account maintained on our own books and records and is presumed to be the owner of the securities evidenced in such account.

Nature of clients' interests

As a result of the account holding structure in our Slovak branch, (i) our clients' securities are registered in our name in an OSA at the relevant CSD, (ii) we hold them on behalf of our clients who are considered owners of those securities and (iii) these securities are evidenced on an account opened and maintained for each client separately on our own books and records that are maintained in respect of the OSA at the CSD.

Furthermore, in relation to an ISA, each client is presumed to be an owner of all the securities held in the ISA opened in the name of that client. In the case of an OSA, as the securities are held collectively in a single account, each client is normally considered to be entitled to the relevant securities in the account proportionate to its holding of securities as recorded on an account opened and maintained for each client separately on our own books and records.

7. Spain – Citibank Europe plc

References to beneficial interests

Due to the nature of proprietary rights under Spanish law, clients should treat all references in Part I to "beneficial interest in", "beneficially entitled to", etc. as references to "proprietary interest in", "having a proprietary interest in", etc.

Nature of clients' interests

In respect of our compliance with Client Assets Rules, we are subject to audits (in Ireland) and verifications (in Spain).

Background

ISAs are opened and maintained by CEP as a CSD member in the name of a particular client. No OSAs are available in Spain, however CEP may open and maintain with the relevant CSD(Iberclear) General Third Party Accounts (accounts opened with the Spanish CSD Iberclear which reflect the global balance of the securities that the authorised entities have registered on behalf of their third parties).

In case of ISAs, clients are owners of the accounts and are presumed to be owners of the securities held in them. If we hold clients' securities in an Third Parties Accounts at the CSD, individual clients' entitlements in the securities will be evidenced on our own books and records that we maintain in respect of the Third Parties Account. The client



is an owner of the account maintained on our own books and records and is presumed to be the owner of the securities evidenced in such account.

Nature of clients' interests

As a result of the account holding structure in Spain, (i) our clients' securities are deposited in an Third Parties Accounts at the relevant CSD, (ii) we hold them on behalf of our clients who are considered owners of those securities and (iii) these securities are evidenced on an account opened and maintained for each client separately on our own books and records that are maintained in respect of the Third parties accounts at the CSD.

Security interest granted to CSD

In addition to the Client Asset Rules, the Spanish law principle of segregation of assets also restricts the situations in which we may grant a security interest over securities held in a client account.



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