

EMIR Disclosures - Pricing

EMIR Articles 38(1), 39(5) and 39(7)



1 October 2015

Introduction

Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories, known as the European Market Infrastructure Regulation ("**EMIR**") came into force on 16 August 2012. As a provider of clearing services at certain CCPs, EMIR requires National Australia Bank ("**NAB**") to provide you with certain information under EMIR. As part of our obligations under EMIR, NAB is required to:

- Publicly disclose the prices and fees associated with clearing services provided, including the conditions to benefit from any discounts and rebates from such prices (EMIR Article 38(1));
- Offer clients a choice between omnibus client segregation and individual client segregation account types, with the client responding in writing (EMIR Article 39(5)); and
- Publicly disclose the levels of protection and associated costs, in respect of account types, the corresponding degrees of segregation and the associated costs (EMIR Article 39(7)).

This document sets out the prices and fees associated with the clearing services provided by NAB. Our general disclosure can be found on our publicly available website, and this fee disclosure should be read together with the general disclosure.

Pricing considerations

When offering clearing services to a prospective client, we will consider amendments to the pricing structure outlined below where additional factors are likely to impact the cost of opening and operating your account. Factors could include, but are not limited to:

- the proposed markets and instruments for which you request clearing services;
- the complexity of your account structure and account segregation requirements;
- complex allocation solutions and processes, such as average pricing and post-clearing allocations;
- physical delivery requirements;

- the trading volume and number of daily settlements;
- the type of clearing required, such as direct execution versus give-in business;
- the complexity of any ancillary services required such as reporting, margin pre-funding, collateral management;
- the margin structure and collateral process; and
- the existing commercial relationships with NAB.

Account Segregation

While account segregation options will vary from one CCP to the next, all CCPs and clearing members are required to offer a form of Omnibus Segregated Account ("**OSA**") and Individual Segregated Account ("**ISA**"). Due to the increased operational complexity and funding implications generally required to support ISAs, it is likely that the opening and servicing of an ISA will increase operational dependencies and funding requirements for both NAB and you. This is a consequence of enhanced on-boarding procedures with the CCP and NAB, and the additional resources required to maintain and supervise the account. For example, each individual client account will require daily reconciliation. In addition, many CCPs have announced a fee in setting up these accounts due to the operational overhead on their side. Those additional complexities will result in higher account maintenance costs than an OSA.

CCP Fees

CCPs will charge for the provision of ISAs and OSAs in addition to existing transaction services. It is NAB's intention to pass such CCP charges directly to clients. Details of CCP charges can be located on the relevant CCP websites.

NAB Clearing Fees

Please note that all prices are subject to periodical review and subject to change from time to time. All prices are considered as a guideline and for further discussion with your appointed NAB representative.

Transaction Clearing Fee

The Transaction Clearing Fee will be charged on a per ticket basis, and is applicable to both OSAs and ISAs:

Interest Rate Clearing Fee	USD\$150 per ticket
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Account Maintenance Fee

Due to the additional operational complexity required to maintain an ISA, NAB may apply an additional monthly fee per account, to cover the additional operational support and resources required to maintain each account.

The structure of ISAs may not be the same across all CCPs, which may result in variable Account Maintenance Fees between the different CCPs.

Regulatory Capital Utilisation Fee

The Regulatory Capital Utilisation Fee will be charged on a per annum basis, and accrued daily on the aggregate notional amount of all outstanding transactions (converted, if applicable, to USD).

Regulatory Capital Utilisation Fee	0.25bp per annum
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Third Party Fees

The fees set out above are not inclusive of any fees or charges applied by any applicable exchange and/or clearing house and/or other third parties (including, without limitation, banking charges, commissions, fees, mark-ups and mark-downs and other charges such as transactions-related taxes or duties) ("**Third Party Fees**") for the provision of clearing services, and will vary depending on whether a client has opted for OSA or ISA arrangements. Such Third Party Fees will be passed through to the client.

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