

**PRECONTRACTUAL CLIENT  
INFORMATION DOCUMENT**



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# **1 Generalities - Precontractual Client Information Document**

Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments (also known as MiFID II), as transposed into Greek law by a relevant Law (4514/2018), Regulation (EU) No 600/2014 of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments (also known as MiFIR), and the delegated acts thereof, make up the regulatory framework governing the operation of markets in financial instruments.

The purpose of the regulatory framework is to establish uniform rules of operation in all Member States of the European Union. The regulatory framework covers all entities that participate in the financial instrument markets, such as, for example, Investment Firms, Trading Venue Operators, and Competent Authorities. The single regulatory framework aims, *inter alia*, at achieving greater transparency in the operation of markets, reinforcing competition within the European Union, and providing a higher level of protection to investors.

This Precontractual Client Information Document (hereinafter, the “Document”) aims at providing the required information, as laid down in the above regulatory framework, and it is addressed to existing and potential Eurobank Equities Investment Firm S.A. (hereinafter, “Eurobank Equities” or the “Company”) clients.

This Document does not represent advertising material, but is an integral part of the General Terms for the Provision of Investment Services and other contractual documents provided by the Company, as part of the provision of investment and ancillary services to investors.

Any references in the General Terms for the Provision of Investment Services and other contractual documents provided by the Company to definitions and articles in Law 3606/2007 and the delegated decisions of the Hellenic Capital Market Commission shall be understood as references to the corresponding definitions and articles of the Law 4514/2018 which transposed into Greek law Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments, of the delegated decisions of the Hellenic Capital Market Commission and of the Regulation (EU) No 600/2014 of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments.

## 2 Eurobank Equities Investment Firm S.A. and its Services

### 2.1 *Eurobank Equities Investment Firm S.A.*

Eurobank Equities is a subsidiary of the Eurobank S.A. Group, among the leaders in the Greek stock market sector, according to the volume of transactions conducted on the Securities Market and on the Derivatives Market of the Athens Exchange, of which it is a member. It is also a Direct Clearing Member of both markets of the Athens Exchange.

Furthermore, Eurobank Equities has been operating with great success on foreign stock exchanges allowing direct order execution, with regard to shares and derivatives, on major international stock exchanges, while being a remote member of the Cyprus Stock Exchange.

At the same time, the Company's Research Department has been awarded prizes for consecutive years and has internationally acknowledged research reports available to the Company's clients.

Lastly, the Company provides high-standard services for the on-line execution of orders on the Greek and international stock exchanges in a wide range of products through the [eurobanktrader.gr](http://eurobanktrader.gr) platform.

The Company's details are provided below:

<b>Corporate Name</b>	Eurobank Equities Investment Firm Single Member Société Anonyme
<b>Known As</b>	Eurobank Equities Investment Firm S.A.
<b>Address</b>	10, Filellinon Str. & 13, Xenofontos Str.
<b>Telephone</b>	(+30) 210 3720000
<b>E-mail</b>	info@eurobankequities.gr
<b>Website</b>	<a href="http://www.eurobankequities.gr">www.eurobankequities.gr</a>
<b>General Commercial (GEMI) No</b> <b>Electronic Registry</b>	003214701000
<b>Legal Entity Identifier</b>	213800IYZNFUEIYMDE59
<b>Supervisory Authority</b>	<b>Hellenic Capital Market Commission (HCMC)</b> 3-5, Ippokratous Str. 106 79 Athens Tel.: +30 210 33.77.100 <a href="http://www.hcmc.gr">www.hcmc.gr</a>
<b>HCMC Registration No</b>	6/149/12.1.1999

## 2.2 *Investment Services Offered*

Eurobank Equities has been granted registration No 6/149/12.1.1999 from the Hellenic Capital Market Commission (HCMC) with regard to the provision of investment services and activities and ancillary services.

The services for which the Company has been authorised and may offer to investors are listed below.

### **Investment services and activities:**

- Reception and transmission of orders, consisting in receiving and transmitting orders on behalf of clients to conclude transactions in financial instruments.
- Execution of orders on behalf of clients, consisting in acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients.
- Dealing on own account, consisting in trading by the Company against proprietary capital resulting in the conclusion of transactions in one or more financial instruments. This service also includes market making on financial instruments.
- Portfolio management, consisting in managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments.
- Investment advice, consisting in the provision of personal recommendations to a client, either upon its request or at the initiative of the Company, in respect of one or more transactions relating to financial instruments.
- Underwriting of financial instruments or placing of financial instruments on a firm commitment basis.
- Placing of financial instruments without a firm commitment basis.

### **Ancillary services:**

- Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management and excluding maintaining securities accounts at the top tier level.
- Granting credits or loans to an investor to allow it to carry out a transaction in one or more financial instruments, where the Company grants the credit or loan and is involved in the transaction.
- Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings.
- Foreign exchange services where these are connected to the provision of investment services.
- Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.
- Services related to underwriting.

## 2.3 *Relationship and Communication with Clients*

The language used by the Company in its communication with clients is the Greek language. In cases of persons outside Greece or that do not understand the Greek language, the Company shall use the English language and terminology.

When starting a business relationship with a client and before conducting any transaction, the Company shall request from the client to produce the necessary documents attesting to its identity and its authorisation, in accordance with the current applicable relevant legislation. Such information and documents shall be kept in electronic and physical records, in accordance with the current applicable legislative/regulatory framework and the Company's individual procedures.

The Company's communication shall be based on the details notified by the client to it, which the Company shall consider to be true. The dispatch of relevant documents for the client's information by the Company shall be considered to have been completed and to have been accepted by the client provided that it is carried out based on the details kept in the Company's records, in accordance with the most recent notification the Company has received from the client.

The client shall immediately notify the Company in writing about any change in the aforementioned details and shall produce, where required, the corresponding documentary evidence demonstrating such change.

The client may communicate with the Company by telephone, mail, e-mail (see section 2.1) as well as in person at the Company's offices.

Regarding the execution of orders, orders may be given in writing, by telephone, e-mail, or through the [eurobanktrader.gr](http://eurobanktrader.gr) website ([www.eurobanktrader.gr](http://www.eurobanktrader.gr)). Eurobank Equities reserves the right to request conformation of the client's order, where this is given orally, by e-mail. The Company may, in any case, act in accordance with the instructions received by telephone from its clients. In any event, the records of such instructions shall be definite proof of such orders and instructions, no further written confirmation being required from the client.

Eurobank Equities shall, in accordance with the current legislation, inform the client that it is required, on grounds of protection of transactions, to record telephone orders and all orders given to it by e-mail and to file them. Eurobank Equities shall not disclose to any third parties information relating to the above, except as provided by the current applicable legislation (for example, where this is required by the Hellenic Capital Market Commission or any other competent supervisory, public, or judiciary authority) and as required to comply with its obligations under its agreement with the client.

### **Dispatch of Information Reports/Statements**

Clients shall receive information from the Company relating to the services offered to them through the dispatch of information reports/statements. In particular:

- Client Order Execution Confirmation

The Company shall dispatch to its clients order execution confirmations at the latest within the business day following the execution date or the reception of confirmation sent to the Company by any third party, where the Company receives the order execution confirmation by a third party. The relevant confirmation shall include all basic information pertaining to the execution of the order as well as the client's responsibilities regarding settlement of the transaction.

- Client Asset Statement

The Company shall dispatch to all its clients, at least at the end of each calendar quarter, information statements including all financial instruments and funds that the Company possesses on their behalf together with information relating to such financial instruments and funds as provided for by the current applicable legislation. The statements may also include the transactions conducted during the reference period.

- Statement on positions in leveraged financial instruments

For Retail Client accounts that include positions in leveraged financial instruments or contingent liability transactions, the Company shall inform its clients, where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%. The relevant information shall be dispatched by the end of the business day on which the limit has been exceeded.

The Company shall provide the above information on a durable medium and within the time limits referred to above. In order for clients to be able to receive the relevant information in a timely manner, it would be preferable for them to provide a personal e-mail address or to access the [eurobanktrader.gr](http://eurobanktrader.gr) website ([www.eurobanktrader.gr](http://www.eurobanktrader.gr)).

- Statement on positions in derivatives

The Company shall dispatch to all its clients, provided that they hold an open position in derivatives, a statement including the derivatives in their portfolio and the relevant information pertaining to the daily settlement. The relevant statement shall be dispatched at least by the end of the business day following the daily settlement reference date.

## 2.4 *Conflict of Interest*

As indicated in section 2.2 above, the Company shall provide its clients with a wide range of investment as well as ancillary services.

As part of the provision of such services, conflicts of interest may arise:

- between the Company, including its managers and employees, its tied agents and any person directly or indirectly linked to the Company by control and the Company's clients or
- between two or more of its clients.

Conflicts of interest may damage a client's interests and they occur where the Company or a relevant person thereof or any person directly or indirectly linked to the Company by control is in any of the following situations:

- the Company or that person is likely to make a financial gain, or avoid a financial loss, at the expense of the client,
- the Company or that person has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome,
- the Company or that person has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client,
- the Company or that person carries on the same business as the client,
- the Company or that person receives or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of monetary or non-monetary benefits or services.

The Company shall implement organisational and administrative arrangements and shall take all necessary measures to identify, prevent and manage conflicts of interest, in order to limit to the greatest extent possible the potential consequences of such risks and to consistently, responsibly and effectively address any conflicts of interest. In this context, the Company has established and implements a special policy on conflicts of interest. Such policy, which shall take into account the Company's size and organisation, as well as the nature, the scale, and the complexity of its activities, shall define the circumstances that represent or may give rise to a conflict of interest and determine the procedures to be followed and the



measures to be adopted to prevent or manage such conflicts of interest, while ensuring that the Company's relevant persons that participate in the various business activities do so with a degree of independence appropriate to the Company's size and activities.

At the same time, the organisational and administrative measures implemented by the Company shall include, *inter alia*: an organisational structure that specifies the reporting lines and allocates functions and responsibilities, a code of ethics, a Chinese wall policy, procedures to safeguard the security, integrity and confidentiality of information including management of access of the Company's staff to information, employee trading policy, remuneration policy, inducement policy, internal and independent supervision units, staff training programme, internal control mechanisms, etc.

Specific cases of conflict of interest may occur, for example, in the following situations:

- when providing services of reception, transmission and execution of orders, where a Company employee does not immediately execute the client's order, but prioritises his own transactions or another client's transactions regarding the same or a different financial instrument;
- when providing investment services, where the Company does not comply with the relevant rules of professional conduct referred to in the current legislation in order to serve own interests;
- when providing investment advice or portfolio management services to clients, where transactions are proposed/concluded in specific financial instruments for which the Company has an interest/participation in the issuer or which were not considered to be the most appropriate for each client. A conflict of interest might also arise where such transactions would, with the full knowledge of the then employee and unbeknownst to the client, serve another client's interests, whose transaction would not have been executed or would have been executed on less favourable terms had the specific transaction not been carried out;
- when preparing financial research, with regard to a financial instrument, offered to customers, where the person responsible for issuing the research carries out personal transactions on the financial instrument or has any relationship with the issuer of the financial instrument,
- as part of the collaboration/relationship of the Company with issuers of financial instruments, where, at the same time, the Company offers such financial instruments to the public;
- as part of other Company activities, such as the provision of financial services to different clients with conflicting interests.

Nevertheless, in certain cases, the organisational and administrative arrangements as well as the measures adopted by the Company may not suffice to prevent possible occurrences of conflict of interest. In such cases, as a measure of last resort, the Company shall make a relevant notification to clients.

Clients who wish to obtain additional information on the policy on conflict of interest adopted by the Company may submit a relevant request to the Company.

## **2.5 Inducements**

Inducement shall mean any fees, commission or non-monetary benefit paid, received, granted or accepted by the Company in relation to the provision of investment or ancillary services to or from any party other than the client or any person acting on behalf of the client. The Company shall implement organisational and administrative arrangements aiming at ensuring that the provision of the relevant services to clients is not biased or distorted as a result of inducements.

The Company may pay, receive, grant or accept inducements in relation to the provision of investment or ancillary services, provided that the fees, the commission or the non-monetary benefit:

1. is designed to enhance the quality of the relevant service to the client; and
2. does not impair compliance with the Company's duty to act honestly, fairly and professionally in accordance with the best interest of its clients.

A fee, commission or non-monetary benefit shall be considered to be designed to enhance the quality of the relevant service to the client if all of the following conditions are met:

- (a) it is justified by the provision of an additional or higher level service to the relevant client, proportional to the level of inducements received,
- (b) it does not directly benefit the recipient firm, its shareholders or employees without tangible benefit to the relevant client, and
- (c) it is justified by the provision of an on-going benefit to the relevant client in relation to an on-going inducement.

The Company shall ensure that the above requirements are met on an ongoing basis as long as it continues to pay or receive any inducements.

The payment or benefit which enables or is necessary for the provision of investment services, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, and which by its nature cannot give rise to conflicts with the Company's duties to act honestly, fairly and professionally in accordance with the best interests of its clients, is not subject to the requirements set out above.

Eurobank Equities hereby informs its clients that, where they transmit to the Company orders for execution through a third company, such as, for example, an investment intermediary or an investment firm, the commission paid to the Company shall also include the third company's fees (percentage on the commission). Eurobank Equities shall pay to each third company its fees, since the relevant fees are necessary for the provision of the investment services and, therefore, meet the above conditions. In any event, payment of the relevant fees shall not affect the Company's duty to act honestly, fairly, and professionally so as to provide services in accordance with the best interests of its clients.

The Company may receive minor non-monetary benefits falling in the following categories:

- (a) information or documentation relating to a financial instrument or an investment service that is generic in nature or personalised to reflect the circumstances of an individual client;
- (b) written material from a third party that is commissioned and paid for by an corporate issuer or potential issuer to promote a new issuance by the company, or where the third party firm is contractually engaged and paid by the issuer to produce such material on an ongoing basis, provided that the relationship is clearly disclosed in the material and that the material is made available at the same time to any investment firms wishing to receive it or to the general public;
- (c) participation in conferences, seminars and other training events on the benefits and features of a specific financial instrument or an investment service;
- (d) hospitality of a reasonable *de minimis* value, such as food and drink during a business meeting or a conference, seminar or other training events mentioned under point (c); and
- (e) other minor non-monetary benefits which are deemed capable of enhancing the quality of service provided to a client and, having regard to the total level of benefits provided by one entity or group of entities, are of a scale and nature that are unlikely to impair compliance with an investment firm's duty to act in the best interest of the client.

Acceptable minor non-monetary benefits shall be reasonable and proportionate and of such a scale that they are unlikely to influence the Company's behaviour in any way that is detrimental to the interests of the relevant client.

Eurobank Equities hereby informs its clients that it does not obtain research products from third companies so that they could be considered inducements.

## 2.6 *Handling of Client Complaints*

Eurobank Equities aims at offering responsible, quality, and effective services to its clients. To achieve this objective, Eurobank Equities has established a procedure for handling individual cases of complaints relating to the services offered by it.

In short, this procedure provides for the following:

- The client may submit its complaint orally or in writing to its Account Manager.
- Where the complaint can be immediately resolved, the Company's relevant employee shall take the necessary steps.
- Where the complaint cannot be immediately resolved or the client is not satisfied with the proposed manner of resolution, the Company's relevant employee or the client, if it so wishes, shall contact the Client Service Department in order to initiate the resolution of the complaint. Where this is deemed useful, the Client Service Department may request the client to submit its complaint in writing, if it has not already done so.
- The Company shall investigate and provide explanations, as soon as possible and in the most adequate manner, regarding any complaint submitted by any client.
- The Company's Compliance Department may also supervise the complaint handling procedure, as the case may be.

If the client is not satisfied with the Company's final answer or position regarding his/her case or the solution proposed by the Company, the client may contact the Hellenic Financial Ombudsman by e-mail at [info@hobis.gr](mailto:info@hobis.gr), by mail at 1, Massalias Street, 106 80 Athens or via fax at 2103238821, while alternatively he/she can file a civil action.

## 2.7 *Safety and Protection of Data and Confidentiality of Information – Personal Data*

Eurobank Equities shall ensure the confidentiality of the information provided by clients and shall protect such information from any intentional or unintentional disclosure thereof to unauthorised persons. In particular, with regard to any information relating to the client, the Company shall comply with the applicable legislation on stock exchange and in general professional secrecy and, more generally, the legislation governing the management and use of information.

To fulfil the above obligations, the Company has established an ethics code, an information security policy, and procedures to safeguard the secrecy of information in the context of current legislation, whose effectiveness and proper implementation are controlled at regular intervals.

The Company shall only process information, including any personal data of its clients, upon their instruction and to carry out its obligations under the provision of investment and ancillary services. The Company shall take all necessary measures to comply with the obligations under the then current legislation on the protection of individuals with regard to the processing of personal data, and the relevant decisions and guidelines of the Hellenic Data Protection Authority, as well as the relevant provisions of the current European or national legislation on personal data.

## 2.8 *Reporting Obligations*

Eurobank Equities hereby informs its clients that it undertakes to follow each applicable tax rules in accordance with the US guidelines on the "Foreign Account Tax Compliance Act" (FATCA) and the OECD guidelines (CRS). In case that it follows from the data kept in its records that a client is a person meeting the criteria of the above tax rules, the Company may (a) request further information in order to certify the client's tax status, and (b) should the client meet the criteria of the above tax rules, as the case may be, transmit information and data gathered as part of the client's investments, as required from time to time by

financial organisations, to the competent tax authorities, to be shared with the competent tax authorities of other States, where the client is a tax resident, by virtue of the then applicable legislation, the OECD current rules and the transnational agreements on exchange of information in tax matters, including the transnational agreement between Greece and the United States on FATCA.

The Company also informs its client that, in compliance with its obligations under Article 26 of Regulation (EU) No 600/2014 of the European Parliament and of the Council, Delegated Regulation (EU) 2017/590 and the relevant technical standards, as in force from time to time, or other relevant Regulations or Laws, such as, for example, Regulation (EU) 648/2012, it shall report, to the extent required, all client transactions on financial instruments, as provided in such legislation. To this end, the Company hereby informs the client that, *inter alia*, it shall transmit to the competent authority the details of its transaction, including its personal data or those of its representatives, where required, as above, and that it shall fulfil towards them its obligations under the legislation on the protection of personal data, as in force from time to time.

In general, the Company hereby informs the client that it shall disclose, where required or where requested under the law or by court order, its personal data and the details of its transactions to European Union authorities, public authorities, independent administrative authorities, public organisations, public services, judicial and prosecuting authorities, public servants or, as the case may be, third natural or legal persons.

### 3 Client Categorisation

(I) Eurobank Equities categorises clients into:

- (a) Retail Clients,
- (b) Professional Clients, and
- (c) Eligible Counterparties.

The categorisation of clients is based on the criteria of the current legislation and the relevant Company policies and procedures. In particular:

**Retail Clients:** All Company clients, legal and natural persons, not falling into the categories of Professional Client and Eligible Counterparty, in accordance with the current legislation.

**Professional Clients:** Clients who possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur. As part of the current legislation, these are distinguished into:

(A) **Per Se Professional Clients**, for all investment and ancillary services and financial instruments, which include the following entities:

1. Legal entities, which are listed below and are required to be authorised or are regulated to operate in financial markets, irrespective of whether they have been authorised from a Member State in application of a Directive, or have been authorised or are regulated by a Member State without reference to any Directive, or are undertakings that have been authorised or are subject to supervisory rules in any third country:

- (a) credit institutions,
- (b) investment firms,
- (c) other authorised or regulated financial institutions,
- (d) insurance companies,
- (e) collective investment schemes and management companies of such schemes,
- (f) pension funds and management companies of such funds,
- (g) commodity and commodity derivatives dealers,
- (h) locals,
- (i) other institutional investors.

2. Large undertaking meeting two of the following size requirements on a company basis:

- balance sheet total: 20,000,000 euros,
- net turnover: 40,000,000 euros,
- own funds: 2,000,000 euros

3. National and regional governments, including public bodies that manage public debt at national or regional level, Central Banks, international and supranational institutions such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank and other similar international organisations.

4. Other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitisation of assets or other financing transactions.

(B) **Elective Professional Clients**, in accordance with the current legislation and the provisions under 3.2 below.

**Eligible Counterparties:** With regard to the services of (a) reception and transmission of orders, (b) execution of orders on behalf of clients, and (c) dealing on own account, the following legal entities shall in principle be considered eligible counterparties: investment firms, credit institutions, insurance companies, Undertakings for the Collective Investment of Transferable Securities (UCITS) and their management companies, pension funds and their management companies, other financial institutions

authorised or regulated under Union law or under the national law of a Member State, national governments and their corresponding offices including public bodies that manage public debt at national level, central banks and supranational organisations.

In case of a transaction, where the potential counterparty is established in another Member State, the status of counterparty is to be accepted as determined under the law or the measures of the Member State of its establishment.

(II) Clients are responsible for keeping the Company informed about any change which could affect their current categorisation. Should the Company establish that a Professional Client of Eligible Counterparty no longer meets the criteria based on which it was classified into a specific category, the Company may classify it in another category (Retail Client or Professional Client, respectively), providing it with the relevant information.

### 3.1 *Client Treatment Per Category*

Each client shall be treated by the Company in accordance with the category it has been classified into under the current legislation. Retail Clients are afforded the highest level of protection as compared to the other two client categories. The difference of treatment per client category mostly relates to (a) the information provided to the client, (b) the assessment of appropriateness and suitability (where investment advice or investment management services are provided) of investment services/financial instruments for the individual client, (c) updates dispatched to the client with regard to the investment services/financial instruments offered, and (d) the manner in which the obligation to execute the client's orders on the most favourable terms to the client is performed.

#### 3.1.1 Professional Clients

Professional clients possess the experience, knowledge and expertise to make their own investment decisions and properly assess the risks that they incur. Professional Clients are afforded a lower level of protection as compared to Retail Clients with regard to the level, the form, and the timing of information and updates provided to them as well as with regard to the safekeeping and use of the financial instruments and/or funds kept by the Company on their account. At the same time, Professional Clients are afforded a lower level of protection with regard to the Appropriateness Assessment and to the Suitability Assessment.

#### 3.1.2 Eligible Counterparties

Eligible Counterparties are treated by the Company as customers having specialised knowledge of investment matters and as having the financial capacity to bear the investment risk involved in their investment objectives. Therefore, this client category is afforded the lowest level of protection as compared to Professional and Retail Clients.

Where a client is categorised as Eligible Counterparty, the Company is not required to comply with specific obligations under the current legislation towards it. Classification in this category requires the client's explicit consent.

#### 3.1.3 Retail Clients

Retail Clients are those clients (natural and legal persons) that do not meet the conditions laid down in the current legislation so as to qualify as Professional Clients or Eligible Counterparties. These clients are afforded greater protection (the maximum possible under the current legislation) as compared to the other two client categories. Such protection consists in the provision, before any investment services, of detailed information on (a) the types and characteristics of financial instruments and the risks they involve, (b) the safekeeping and protection of the financial instruments or funds by the Company on behalf of Retail

Clients, (c) the costs and relevant charges, (d) the order execution policy implemented by the Company, (e) the information reports/statements to be dispatched by the Company to such clients, the time and frequency of such communication. Information reports/statements dispatched to Retail Clients may be more detailed than those dispatched to the other two client categories.

### 3.2 *Client Category Change*

By written request to the Company, the Company's clients may request to be classified into a client category other than the one they have been assigned to. The change of category is subject to meeting the requirements and the criteria provided for in the current legislation. A request for a change in category may be submitted in the following cases:

**Retail Client requesting to be classified as Professional Client:** A Retail Client may request to waive part of the protection afforded to it, as long as the criteria and requirements provided for in the current legislation are met and specific procedures are followed. In any event, acceptance of the relevant client request remains at the Company's discretion, which shall be reasonably satisfied, following an appropriate evaluation of the client's ability, experience, and knowledge, that, taken into account the nature of the intended transactions or services, the client is able to make investment decisions and to understand the risks involved therein.

**Professional Client requesting to be classified as Retail Client:** A Professional Client who considers that it is not able to properly assess or manage the risks it is exposed to may request to be treated as a Retail Client so as to be afforded greater protection. Should the Company accept the client's request, a relevant agreement shall be entered into.

**Eligible Counterparty requesting to be classified as Professional or Retail Client:** An Eligible Counterparty who considers that it does not have specialised knowledge in investment matters or that it does not have the financial capacity to bear the investment risk that corresponds to its investment objectives may request to be treated as a Professional or Retail Client.

In those two latter cases, the Company may proceed to make the relevant change at its own initiative, following a relevant notification to the client.

Acceptance of a client's request to change category shall be at the Company's absolute discretion; provided that it accepts such change, the Company shall inform the client, in the event of loss of protection, about the consequences of the change in category, the rights the client may be waiving, as well as the protection and the rights to compensation it may lose. The client is required to notify the Company in writing that it has been informed about the above and that it is aware of the consequences of the loss of the aforementioned protection and that it unconditionally accepts such loss.

Should the client's request be refused, the client shall be informed in writing by the Company.

### 3.3 *Assessment of Suitability and Appropriateness*

To ensure protection of its clients, Eurobank Equities conducts tests to assess whether the investment services and the financial instruments offered to them are appropriate and suitable for them and correspond to their needs and their investment objectives. More specifically:

#### **Suitability Assessment**

When providing investment advice or portfolio management, in order to provide services in accordance with the best interests of its clients or potential clients, the Company shall obtain the necessary information regarding the client's or potential client's knowledge and experience in the investment field relevant to the

specific type of product or service, that person's financial situation including its ability to bear losses, and its investment objectives including its risk tolerance so as to enable the Company to recommend to the client or potential client the investment services and financial instruments that are suitable for it and, in particular, are in accordance with its risk tolerance and ability to bear losses (suitability test).

The Company shall rely on the information provided by its existing or potential clients which should be accurate and adequate. Such information shall be updated periodically during the provision of such services.

In particular, when providing investment advice to Retail Clients, the Company shall provide a suitability report to the Retail Client that includes an outline of the advice given and how the recommendation provided is suitable for the Retail Client, including how it meets the client's objectives and personal circumstances with reference to the investment term required, the client's knowledge and experience, and the client's attitude to risk and capacity for loss.

Should the Company consider that a certain product or service is not suitable for the client or should the client not provide the necessary information or the necessary information be inadequate, the Company shall not provide the above services to the client and it shall inform the client about its decision.

### **Appropriateness Assessment**

When providing investment services, other than investment advice or portfolio management, the Company shall request the client to provide information regarding its knowledge and experience in the investment field relevant to the specific category of the financial instrument or service offered or requested so as to be able to assess whether the proposed financial service or instrument are appropriate for the client (appropriateness test).

Should the client not provide the required information or should the relevant information be inadequate or should the Company consider, based on the information received, that the relevant financial instrument/service is not appropriate for the client given its knowledge and experience, the Company shall warn the client accordingly. Where, after receiving the relevant warning, the client wishes to invest in the financial instrument or obtain the financial service selected, the client acknowledges that it assumes the entire potential investment risk.

### **Exemption from the obligation to conduct an appropriateness test**

Eurobank Equities provides, *inter alia*, investment services exclusively consisting in the execution of client orders or the reception and transmission of orders, with or without any ancillary services (except for the ancillary service of granting credit or loans to conduct transactions) relating to non-complex financial instruments in accordance with the provisions of the current legislation ("execution only" service). The Company may provide such investment services without having assessed the appropriateness of the financial instrument/service, in line with the above, provided that all the conditions below are met:

- (a) the services relate to any of the following financial instruments:
  - (i) shares admitted to trading on a regulated market or on an equivalent third-country market or on a Multilateral Trading Facility, where those are shares in companies, and excluding shares in non-UCITS collective investment undertakings and shares that embed a derivative,
  - (ii) bonds or other forms of securitised debt admitted to trading on a regulated market or on an equivalent third country market or on a Multilateral Trading Facility, excluding those that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved,



- (iii) money-market instruments, excluding those that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved,
- (iv) shares or units in UCITS, excluding structured UCITS as referred to in the second subparagraph of Article 36(1) of Regulation (EU) No 583/2010,
- (v) structured deposits, excluding those that incorporate a structure which makes it difficult for the client to understand the risk of return or the cost of exiting the product before term,
- (vi) other non-complex financial instruments meeting the criteria laid down in the current legislation.
- (b) The service is provided at the initiative of the client or potential client.
- (c) The client or potential client has been clearly informed that in the provision of that service the Company is not required to assess the appropriateness of the financial instrument or service provided or offered and that therefore it does not benefit from the corresponding protection of the relevant conduct of business rules.
- (d) The Company complies with its obligations relating to identifying, preventing, and managing conflicts of interest.

**Clients are hereby informed that, when exclusively providing the service of execution of client orders or the service of reception and transmission of orders, as defined above (“execution only” service), with regard to any of the aforementioned non-complex financial instruments, the Company is not required to assess the appropriateness of the financial instrument offered or the service provided and that clients are not covered by the corresponding protection afforded by the relevant rules on professional conduct referred to in the current legislation.**

### 3.4 *Product Governance and Oversight*

When manufacturing financial instruments to be sold to clients, the Company shall comply with appropriate procedures to approve each financial instrument, identifying a specific target market of potential clients, within the relevant client category for each financial instrument, taking into account the characteristics, the needs, and the investment objectives of the clients to whom the financial instrument is addressed and ensuring that all risks relating to the specific target market are assessed and that the intended distribution strategy for the financial instrument is appropriate for the target market. The Company shall review on a regular basis the financial instruments manufactured in order to examine whether each financial instrument remains consistent with the needs, characteristics, and objectives of the target market.

Where the Company markets or proposes financial instruments from other manufacturers, it shall obtain the necessary information with regard to such financial instruments from such manufacturers so as to ensure that these are distributed in accordance with the needs, the characteristics, and the investment objectives of the clients to whom it shall market the financial instruments (target market). Where the manufacturer of the financial instrument has not determined a target market for any financial instrument, the Company shall determine such target market in accordance with its procedures. In addition, the Company shall have adequate procedures to oversee the above products so as to ensure that the products and the services it intends to offer or propose are appropriate for the needs, the characteristics, and the objectives of the determined target market.

Where an agreement has been entered into between the Company and the client regarding the management of the client’s portfolio or the provision of investment advice, the client has first undergone a suitability assessment and, therefore, the Company has information to conduct the relevant checks on the client and classify it in the determined target market.

When providing the service of reception, transmission, and execution of orders, the Company is not required to conduct a suitability assessment and it may not be required to conduct an appropriateness assessment (see above section “Exemption from the obligation to conduct an appropriateness test”) and,

therefore, it is not required to obtain all required information with regard to the client's knowledge and experience, its investment objectives, needs, financial situation, and risk tolerance.

Marketing of financial instruments by the Company, as distributor of such financial instruments, shall under no circumstances constitute an act of personal encouragement or recommendation to purchase such financial instruments, and any relevant communication shall aim at informing the client who shall make the investment decision.

## **4 Safekeeping of client financial instruments and client funds**

Eurobank Equities provides services of safekeeping and administration of financial instruments on behalf of clients, including custodianship and related services such as cash/collateral management, to all its clients. Such services are provided either directly by the Company, where the safekeeping relates to financial instruments trading on the Athens and Cyprus stock markets, or through Eurobank S.A., where the safekeeping relates to financial instruments trading on other regulated markets.

Furthermore, the Company may deposit financial instruments held by it on behalf of its clients into an account or accounts opened with a third party provided that the Company has exercised all due skill, care and diligence in the selection and appointment of the third party and that it conducts periodic review of the third party and of the arrangements implemented by such third party for the holding and safekeeping of those financial instruments, the Company only being liable for fault with regard to the selection of such third party. In order to delegate to third parties outside its facilities functions of safekeeping of the financial instruments delivered to it for safekeeping, the Company shall select and appoint the third custodian through a specific internal procedure taking into account a series of criteria and requirements that shall have to be met. The Company shall, in any case, take into account the third party's expertise and market reputation as well as any legal requirements relating to the holding of the financial instruments which could adversely affect the rights of its clients. The Company shall only make deposits to a third party in a country where the safekeeping of financial instruments on behalf of another person is subject to specific regulation and supervision and such third party is subject to specific regulation and supervision.

It should, however, be noted that the Company shall not deposit financial instruments with a third country custodian where the holding and safekeeping of financial instruments on behalf of another person is not regulated, unless one of the following conditions is met:

- (a) the nature of the financial instruments or of the investment services connected with those instruments requires them to be deposited with a third party in that third country, or
- (b) the financial instruments are held on behalf of a Professional Client and such client requests the Company in writing to deposit them with a third party in that third country.

The Company may deposit for safekeeping foreign financial instruments with third foreign custodians in its name in omnibus accounts on behalf of several clients, its clients bearing the relevant costs and liability. Depending on the local operating rules of each market/local depository, the Company shall clearly segregate its assets from those of its clients, i.e. it shall keep at least one own account (own portfolio) and one omnibus account for its clients.

In any event, the Company shall specify in its books the financial instruments corresponding to each client.

The Company's clients shall have the right to appoint a different custodian, if they so wish. In such a case, the Company shall not be liable for any acts or omissions of the custodian selected by the client.

With regard to the clients' funds, the Company shall, upon receiving them, promptly place them into one or more accounts opened with any of the following: (a) a central bank, (b) a credit institution, (c) a bank authorised in a third country, (d) a qualifying money market fund. With regard to the organisations under (b) to (d), the Company shall exercise all due skill, care and diligence in the selection and appointment of each organisation, while it shall conduct period reviews of the above organisation and the arrangements it implements regarding the holding of such funds, the Company only being liable for fault with regard to the selection of such organisation. The Company shall, in any case, take into account the third party's expertise and market reputation as well as any legal and regulatory requirements or market practices relating to the holding of client funds which could adversely affect the rights of its clients.

The Company shall warn its clients that the safekeeping of financial instruments or funds by a third custodian/organisation involves risks that shall be exclusively assumed by the clients, such as custody risk relating to a custodian not being able to honour its obligations or becoming insolvent, making it likely that the financial instruments or funds entrusted for safekeeping will not be recovered or that their restitution will be delayed. Furthermore, the Company shall warn its clients that the aforementioned safekeeping of financial instruments or funds in omnibus accounts with third custodians may limit their right to claim, at any time or at all, direct ownership of the financial instruments or to exercise in whole or in part rights arising from such financial instruments.

In the event that the accounts in which the clients' financial instruments or funds are kept are governed by the legislation of any non-EU country, the Company shall inform its clients that their rights may vary accordingly.

The Company shall inform the client about the existence and the terms of any security interest or lien which the Company has or may have over the client's financial instruments or funds, or any right of set-off it holds in relation to those instruments or funds.

The Company shall also inform the client of the fact that a third custodian may have a security interest or lien over, or right of set-off in relation to its financial instruments or funds.

Lastly, it should be noted that Eurobank Equities may place its clients' funds in repos and/or term deposits. Such placement shall occur in case of clients having a credit balance that exceeds the relevant limit as determined from time to time by the Company as well as for balances available for deposit.

## 5 Safeguarding of client financial instruments and funds

In order to safeguard the financial instruments and funds it holds on behalf of its clients, the Company apart from the aforementioned measures, shall adopt the measures succinctly described below:

- keep records and accounts enabling it at any time and without delay to distinguish assets held for one client from assets held for any other client and from its own assets;
- maintain the clients' records and accounts in a way that ensures their accuracy, and in particular their correspondence to the financial instruments and funds held for clients while at the same time it is possible to detect the relevant movements in those records and accounts (audit trail);
- examine on a regular basis the movements in the financial instrument accounts and their correspondence with the client's instructions and conduct reconciliations between its internal accounts and records and those of any third parties by whom the client assets are held as well as with the clearing systems;
- take the necessary steps to ensure that any client financial instruments deposited with a third party (custodian or clearing system) are identifiable separately from the financial instruments belonging to the Company and from financial instruments belonging to that third party, by means of differently titled accounts on the books of the third party or other equivalent measures that achieve the same level of protection. Where it is not possible, under the applicable third party law, to segregate the client's financial instruments from those of a third party or those of the Company, the Company shall clearly warn the client about the risks this involves. Where the Company relies on equivalent requirements imposed with regard to safeguarding the clients' rights relating to the financial instruments, the Company shall inform its clients that, in such cases, they shall not benefit from the provisions of the existing legislation;
- introduce adequate organisational arrangements to minimise the risk of the loss or diminution of client assets, or of rights in connection with those assets, as a result of exploitation of the assets, fraud, poor administration, inadequate record-keeping or negligence;
- have appropriate arrangements in place to safeguard the clients' ownership rights, in particular in the event of the Company's insolvency;
- conduct regular review/reassess each existing third party and the arrangements for holding and safekeeping the financial instruments in order to timely identify any malfunctions and ensure the smooth provision of the services foreseen.

The Company shall not conclude with Retail Clients title transfer financial collateral arrangements for the purpose of securing or covering present or future, actual or contingent or prospective obligations of clients. Such arrangements may be concluded with clients that have been classified into another category, by virtue of the Company's categorisation policy, and only under strict conditions determined in the current legislation and after the Company has warned the clients about the risks arising from such arrangements and any consequences on their financial instruments and funds.

The Company shall not enter into arrangements for securities financing transactions in respect of financial instruments held by it on behalf of a client, or otherwise use such financial instruments for their own account or the account of any other person or client of the firm, unless:

- (a) the client has given his prior express consent to the use of the instruments on specified terms, as clearly evidenced in writing and affirmatively executed by signature or equivalent, and
- (b) the use of that client's financial instruments is restricted to the specified terms to which the client consents.

Before conducting the relevant securities financing transaction, the Company shall provide its client, through a durable medium and in due time before using the financial instruments, clear, complete, and accurate information on its obligations and responsibilities with regard to the use of the financial instruments, including the terms of the rebate thereof and the relevant risks.

The appropriateness of the arrangements and procedures implemented by the Company with regard to safeguarding its clients' financial instruments and funds and to the prohibition of concluding with Retail Clients title transfer financial collateral arrangements shall be subject to an annual audit by external auditors and the result of such audit shall be notified to the Hellenic Capital Market Commission.

### **5.1      *Investor Compensation Scheme***

The investment services provided by Eurobank Equities shall be covered by the Guarantee Fund (hereinafter, the "Guarantee Fund"), as defined from time to time by the competent authority. The Company's participation in such Fund ensures payment of compensation, in accordance with the legislation, to principals and counterparties in the event of established definitive or non-reversible inability of the Company to comply with its obligations arising from the provision of the covered services.

For more information on the Guarantee Fund, such as, for example, the compensation terms and the coverage amounts, clients may consult the website: [www.syneggitiko.gr](http://www.syneggitiko.gr)

## 6 Margin Accounts

Upon conclusion of a relevant agreement with the client, Eurobank Equities may grant credit to clients to purchase securities traded on the Athens Exchange (ATHEX). The credit starts from the moment the Company pays the consideration for the value of the securities purchased by the client, on the day such payment becomes due. The provision of this credit service requires the pledging of securities or funds, acceptable to the Company, exclusively owned by the client. The assets pledged in favour of the Company represent the client's Collateral Portfolio, whose value represents the basis determining the amount of the credit. It should be noted that the securities pledged included in the Collateral Portfolio should be diversified so that no asset in the Collateral Portfolio exceeds in value 40% of the Collateral Portfolio's total value. The Collateral Portfolio shall be valued on the basis of the most recent closing prices as communicated by the regulated market on which the securities are traded. It should be noted that the Company may impose a cut (reduction - weighting) of the value of the client's Collateral Portfolio assets for risk management purposes. The resulting portfolio shall be called Weighted Collateral Portfolio.

Depending on its term, the credit granted may be:

- (a) short-term credit, equal to the stock-exchange transaction clearing time, or
- (b) credit that may extend beyond the clearing time and expiring according to the terms governing the relevant agreement concluded between the Company and the Client.

The amount of the credit may, under certain conditions, including that the Collateral Portfolio is diversified, represent up to 150% of the value of the Weighted Collateral Portfolio, while the credit may not exceed a maximum limit to be determined by the Company.

The margin mechanism is an important feature in the operation of the service described. Margin is the difference between the valuation of the Collateral Portfolio and the debit balance of the client's credit account. The client may obtain credit equal to an amount such that its margin, as a percentage of the portfolio value, be at least equal to 40%. This percentage (as applicable from time to time) shall be the Initial Margin. Generally speaking, the margin shall change as described below: as the client's borrowing increases, provided that the value of its Collateral Portfolio remains stable, this percentage decreases. The same may occur, where the amount received as credit by the client remains stable, while the value of its Collateral Portfolio decreases, although both the above reasons may exist concurrently. No new securities may be purchased where the resulting margin is lower than the Initial Margin of 40%. Should the client's margin fall below 30%, the client shall be required to cover for the margin deficit (margin call - restore the margin to at least 30%) at the latest within one business day; otherwise, it shall be in default. This minimum margin (as applicable from time to time) shall be the Minimum Margin. Should the client not cover its obligation within the aforementioned time period, the Company may liquidate part of its Collateral Portfolio assets to cover the relevant obligation.

Investments made by using credit may entail multiple gains for the investor, should the market be favourable, given that the investor may purchase more securities as compared to the invested capital. Should the market not be favourable, the investor may sustain losses to its initial capital, at a higher rate, due to leverage, as compared to transactions not involving credit, which may, in some circumstances, exceed the amount initially invested.

Additional risks may arise in the event of corporate actions (merger, split, reverse split, etc.), where the client is required to cover for any, albeit provisional, margin deficit, below the minimum margin, by pledging additional securities or funds, unless otherwise agreed with the Company.

It should be noted that the credit granted may not be used to purchase new securities to be listed on a regulated market issued as part of any share capital increase or, in general, of initial public offerings (IPOs).

The capital granted by the Company to purchase securities on credit is subject to statutory interest.

It should be noted that the Company shall assess the client's appropriateness with regard to this service and inform the client of whether it has knowledge and experience with regard to this service and the risks involved in the use of leverage with regard to transactions. The Company's liability shall be limited to informing the client about its knowledge and experience. Upon receiving this information, the client shall be solely responsible for deciding whether it wishes to use such service.

The Company may, at its discretion, cease granting credit to the client. In such a case, the amount owed by the client shall become immediately due.



## 7 Basic Charges

### 7.1 *Execution of orders in Greek Shares*

The total costs to be paid by the client for transactions in Greek shares shall include the following charges:

- Financial Instrument Value<sup>1</sup>: The value of the financial instrument at the time of execution of the client's order.
- Company Commission: The client shall be charged a commission on the value of transactions, based on the commission scheme the Company has classified the client into. Irrespective of the commission scheme, the client shall be charged a minimum commission.
- Stock-exchange costs (HELEX): The client shall be charged stock-exchange costs for orders executed, which shall be determined as a percentage on the value of transactions. Part of this percentage is determined by HELEX and is paid to the Athens Exchange and/or the Depository, while the rest is collected by the Company as costs. The Company is not involved in the determination of the charges relating to HELEX.
- Transfer costs: The client shall be charged transfer costs for orders executed, which shall be determined as a percentage on the value of transactions. Part of this percentage is determined by HELEX and is paid to the Athens Exchange, while the rest is collected by the Company as costs compensating the costs of the internal transfer procedure. The Company is not involved in the determination of the charges relating to HELEX.
- Tax: The tax is determined by the Ministry of Finance, imposed on behalf of the Greek State, and paid to the Greek State through HELEX. The tax is determined as a percentage on the value of transactions.

### 7.2 *Execution of orders in Cypriot Shares*

The total costs to be paid by the client for transactions in Cypriot shares shall include the relevant charges as set out in the section on the execution of orders in Greek shares. It should be noted that at the time of publication of this Document there are no transfer costs, while part of the corresponding stock-exchange costs are paid to the Cyprus Stock Exchange and the rest is collected by the Company as costs. The Company bears no liability and is not involved in the determination of the charges relating to the Cyprus Stock Exchange.

### 7.3 *Reception and Transmission of Orders in Foreign Shares*

The total costs to be paid by the client for transactions in foreign shares shall include the relevant charges as set out in the section on the execution of orders in Greek shares. It should be noted that the commission schemes applicable in case of foreign shares may vary from those applicable for the execution of orders in Greek Shares. Furthermore, the corresponding stock-exchange costs and transfer costs are determined by the markets on which the client trades. Lastly, it should be noted that the client may have to pay additional local taxes depending on the market on which it trades.

### 7.4 *Execution of orders in Greek Derivatives*

The total costs to be paid by the client for transactions in Greek derivatives shall include the following charges:

- Company Commission: The client shall pay a commission, which is determined depending on the value and the type of the derivative product together with the commission scheme the Company

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<sup>1</sup> The Financial Instrument Value is only included in order to provide a complete overview and it is not considered a charge, since it is not collected by the Company. It is only paid by the client in the event of purchase of the financial instrument and not in the event of sale, in which case it represents revenue for the client.

has classified it into. Such commission applies both to the execution and the clearing of transactions.

- Derivatives Market Costs - HELEX: The client is charged costs in favour of the above entities, which are determined by them and paid to them. Such costs are determined depending on the type of the derivative product together with the type of client order. The Company bears no liability and is not involved in the determination of the charges relating to said entities.
- Daily Cash Settlement<sup>2</sup>: Depending on its position on the derivatives market and the daily cash settlement of such position, the client shall, on a daily basis, collect gains or be requested to pay losses, only in cash.
- Margin<sup>3</sup>: Depending on its position on the derivatives markets, the client may be requested to pay additional guarantees in order to cover the required margin (cash or shares).

It should be noted that a client purchasing options shall not pay the relevant daily settlement costs, as for other derivatives, but it shall pay the value of the financial instrument which is defined as the value of the financial instrument at the time of execution of the client's order.

### 7.5 *Reception and Transmission of Orders in Foreign Derivatives*

The total costs to be paid by the client for transactions in foreign derivatives shall include the relevant charges as set out in the section on the execution of orders in Greek derivatives. It should be noted that the commission schemes applicable in case of foreign derivatives may vary from those applicable for the execution of orders in Greek derivatives. Furthermore, it should be noted that the corresponding costs in favour of stock-exchange and clearing entities and any additional taxes shall be determined by the local entities in the markets on which the client trades.

### 7.6 *Custody Costs*

The Company shall charge its clients custody costs for Greek shares. Such costs are calculated according to the logic of the relevant price policy of Hellenic Exchanges (HELEX) and are determined as a percentage of the Average Daily Valuation of the client's Portfolio.

It should be noted that the Average Daily Valuation of the client's Portfolio shall be calculated on the total calendar days of the calculation period and on the total client portfolio, irrespective of any sub-accounts.

In addition, it should be noted that clients with a total portfolio, irrespective of any sub-accounts, valued below the limit determined by the current price policy of HELEX shall be exempted from the above charges. For all other clients, a minimum half-yearly charge shall apply.

Custody costs for Greek shares shall be paid on a half-yearly basis.

With regard to foreign shares, the custody costs, as a percentage of the client's portfolio, depend on the country in which the securities of such portfolio are being traded. It should be noted that the relevant percentage is expressed on a yearly basis and the relevant costs are calculated on the daily value of the equity portfolio and paid on a quarterly basis to the custodian.

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<sup>2</sup> The Daily Cash Settlement is only included in order to provide a complete overview and it is not considered a charge, since it is not collected by the Company. It is only paid by the client in the event of negative settlement, and not in the event of positive settlement, where the client collects profits.

<sup>3</sup> The Margin is only included in order to provide a complete overview and it is not considered a charge, since it is not collected by the Company. It is only paid by the client where required due to the product features.

### **7.7      *Costs relating to debit balances***

In case the client has entered into a margin account agreement with the Company and the client has a debit balance, the client shall be charged interest on a quarterly basis at a rate to be determined on the basis of the contractually agreed charge and taking into account the client's daily average balance during the calculation quarter.

In case the client has not entered into the above margin account agreement with the Company and the client has a defaulted debit balance, the client shall be charged interest on a quarterly basis at a rate to be determined on the basis of the Company's then price policy.

### **7.8      *Securities Transfer Costs***

The Company applies a specific price policy with regard to securities transfer, based on the logic of the HELEX price policy, also taking into account the relevant operational costs and the organisational expenses arising from the provision of such service. In particular:

- to transfer securities to another member of the Dematerialized Securities System, the Company charges a fix cost per security;
- to transfer securities from a Joint Investor Securities Account to an Individual Securities Account or vice versa, the Company charges a fix cost per security. The charge is applied to both accounts (Joint Investor and Individual).

### **7.9      *Dematerialised Securities System Share and Account Creation Costs***

Should an investor wish to obtain, for the first time, irrespective of the operator, a Share and open an Account in the Dematerialised Securities System, the Company shall, on the basis of the corresponding price policy of HELEX, charge the client's stock-exchange account with the corresponding costs relating to the creation of a Share and an Account in the Dematerialised Securities System.

### **7.10     *Taxes***

Where the Company has a relevant obligation under the then applicable tax legislation, it shall inform the client that it is required to withhold any tax foreseen. In any event, taxation of income, gain, or capital etc. shall depend on the current applicable tax legislation. In case of doubt about the tax legislation applicable to themselves, or to their financial instruments and funds, in order to be informed about the possible tax consequences of their investment, clients should seek advice and/or information from their legal and tax consultants.

The following taxes are cited by way of example:

- tax on profit from the sale of shares either in Greece or at source,
- tax on interest from bonds or interest-bearing notes,
- securities transfer tax,
- inheritance tax, etc.

### **7.11     *General Comments***

Eurobank Equities has posted a detailed price list in the Company's offices as well as on its website, which includes all its charges, together with relevant examples. This price list may be provided to clients in hard copy, at their request.

Where there exists a Company commission, such commission may also include the commission of third companies, such as, for example, investment intermediaries or investment firms, where orders are transmitted for execution to the Company through such entities, and such commission may be broken down for the client, at its request.

In cases where the Company offers or markets certain financial instruments or where, by virtue of the current legislation, it is required to provide a Key Information Document, as part of Regulation (EU) 1286/2014 of the European Parliament and of the Council; or a UCITS Key Investor Information Document (hereinafter, for the purposes of this paragraph, jointly, the “Key Information Document”), the above information shall include details on costs and charges, in general, with regard to investment and/or ancillary services and financial instruments.

In cases where the Company does not offer or market financial instruments or is not required, under the current legislation, to provide a Key Information Document, the information on costs and charges, in general, shall only include details with regard to the investment or ancillary services provided by the Company.

Information on costs and other charges shall also include information on payments to third parties collected by the Company with regard to investment services provided to a client.

Where required, during the term of the investment, the Company shall inform the client, on a regular basis, at least once a year, about the costs and the relevant charges of the investment and ancillary services and the financial instruments provided by it. The relevant information may be provided by the Company together with the existing periodical reports provided to clients.

## 8 Risks

### 8.1 *Investment Risks*

Any investment in any financial instrument shall be more or less exposed to all or some of the following risks:

Systemic Risk – General Risk: This type of risk is related to the behaviour of the entire stock market due to the change of general factors (for example, geopolitical, economic factors, etc.) referring to the specific stock market. Systemic Risk mostly includes the following risks:

- Market Risk: Risk arising from unwanted changes in general market factors, such as interest rates, share and index prices, exchange rates, commodity prices and indexes, variations in volatility. Market Risk is directly linked to the volatility of financial instrument prices. The greater (more extreme) the price volatility the greater the investor's risk of losing funds.
- Inflation Risk: Loss of actual (purchasing) value of capital as a result of the higher than expected rise of inflation.
- Interest rate Risk: Risk arising from the unwanted change in interest rates and their subsequent impact on the present value of an investment's expected future cash-flows.
- Exchange Risk: Risk arising from adverse changes in the exchange rate of the currency of the specific financial instrument in which the client has invested as compared to the base currency it usually trades in.
- Liquidity Risk: Risk of being unable to liquidate a financial instrument on time and at a fair price. Therefore, for example, should an investor seek to liquidate its investment at the fair market price, but demand is insufficient, it will not be able to do so or it will liquidate its investment at a lower price. In some cases, this risk is also referred to as disinvestment risk.
- Political Risk: This risk relates to events such as political instability, hostilities in countries where the issuers of financial instruments or regulated stock markets are established or operate.
- Country Risk: This risk relates to the more general economic situation of the country in which the stock market or the issuer of the financial instrument is established and the adverse results that the country's financial performance may have for the general domestic economic and business environment for the companies operating within the country.

Diversification of the investor's portfolio does not reduce Systemic Risk.

Non-Systemic Risk – Specific Risk: Risk of change in the value of a financial instrument because of specific factors relating or linked to the issuer of the product (issuer's financial results, financial situation, reputation, sector in which the issuer operates, etc.). Non-Systemic Risk mostly includes the following risks:

- Business Risk: Risk of decrease of an undertaking's profitability and productivity because of wrong decisions made by its management, which result in losses.
- Financial Risk: Risk arising from the use of borrowed funds by the company. The more the ratio of borrowed funds to own funds increases, the more the undertaking is exposed to financial risk.
- Funding Liquidity Risk: Risk of the issuer's inability to have access to raising new funds.

Diversification of the investor's portfolio reduces Non-Systemic Risk.

## 8.2 *Other Risks*

Apart from the above risks, investments may be exposed to the following risks which, depending on the financial instrument or the regulatory framework governing their supervision, may be more or less important:

- Credit Risk: The risk for investors that their counterparty or the issuer of the financial instrument will not be able to fulfil the whole or part of its contractual obligations towards them. This risk mostly affects investors who take up the debt of corporations, States, or public organisations (bond creditors).
- Counterparty Risk: The risk for investors that their counterparty (for example, the investment firm clearing the transaction or the issuer of the financial instrument) will not be able to deliver the financial instruments or the funds to the investor. This risk may, in some cases, coincide with the Credit Risk.
- Reinvestment and Early Redemption Risk: Risk that the person investing in a certain financial instrument (usually bonds or preferred shares) will not be able to find an investment with the same yield on the market or will incur a yield decrease in the event that the issuer of the financial instrument withdraws the issue in its entirety or replaces it with financial instruments of a lower yield.
- Estimation Risk: Risk that the financial information published by the issuer of a financial instrument (for example, balance sheet, profit and loss statement, cash-flow statement, etc.) and relied upon to assess an investment by investors, analysts, or creditors (for example, bond holders) does not properly reflect the issuer's financial situation.
- Concentration Risk: Risk that the investor will incur losses in the part of its investment relating to the same issuer, country, or other correlation factor.
- Market Efficiency Risk: Risk that the stock exchange market on which the financial instruments are traded does not properly and immediately assess the fair value of the financial instruments due to inefficient or slow transmission (or absorption) of the information provided to investors or to the inefficiency of the regulatory framework governing the operation of the stock exchange market. As a rule, this risk is greater in non-regulated markets or where transactions are conducted over-the-counter.
- Management Risk: Risk that depends on the investment strategy adopted by professional managers or on the ability of the investor (knowledge and experience) to implement the best management practices. It should be noted that historical returns advertised for various financial instruments cannot be considered to guarantee future returns.
- Operational Risk: Risk arising from random or unforeseeable failure of processes, systems or human factors. For example, risk that an order will not be executed properly or timely by the broker or risk that execution of a transaction will not be completed or will be withdrawn by the stock exchange, etc.
- Legal Risk: Risk that the terms of the investment product have not been fully and accurately foreseen in the relevant agreement. This may occur in over-the-counter transactions, while in regulated markets this risk is almost non-existent. There is also a risk that changes in the legislative framework will cause changes to the expected return or the tax treatment of the product or even that an investment will no longer be permitted in whole or in part.
- Basis Risk: Risk of an abnormal variation between the prices of derivatives financial instruments and the corresponding prices of the underlying instruments due to the conditions or the operating rules of the derivatives or the underlying instruments market. This risk is related to the Market Efficiency Risk.
- Risk arising from investments relating to foreign legal orders: Investing in financial instruments relating to foreign legal orders enhances certain risks, given that the applicable rules are different from those the investor is familiar with. Such rules may relate to many different issues, such as, for example, the types of orders or the operating rules of financial markets.

- **Trading Suspension Risk:** Risk that the trading of a financial instrument will be permanently or temporarily suspended, due to the rules of the market on which the financial instrument is traded or to other circumstances, or that the trading terms will be restricted. In such a case, investors are faced with the likelihood of not being able to conduct the transactions they wish to conduct as part of their investment strategy.
- **Bail-in Risk:** Risk that the investor may lose part or the whole of its funds or claims from the Bank or the Investment Firm operating as the custodian thereof, as a result of the recapitalisation (bail) of the Bank or the Investment Firm using their clients' or their creditors' funds, in application of Directive 2014/59/EU (Bank Recovery and Resolution Directive, BRRD), which has been transposed into Greek law by Law 4335/2015.
- **Leverage Risk:** Risk for an investor who has invested in leveraged products or in investment strategies that use the leverage technique (for example, derivatives or margin accounts) to incur multiple losses in its portfolio as compared to the losses it would have incurred had it invested in non-leveraged products or in investment strategies that do not use leverage.
- **Risk of Incorrect Credit Assessment:** Risk that the credit assessment made by a credit rating agency for an issuer or a financial instrument is adversely changed after the purchase of the financial instrument.

With regard to the risks detailed in sections 8.1 and 8.2 above, investors are hereby informed that, when dealing in financial instruments for which the law requires the existence of a Key Information Document or a Prospectus, these include information on the risks entailed by each financial instrument.

In general, Total Investment Risk may be defined as Systemic Risk + Non-Systemic Risk + Other Risks.

**IMPORTANT NOTE: The (regulated and non-regulated) markets on which the various financial instruments are traded are subject to high volatility and to unexpected risks. Eurobank Equities cannot and does not guarantee specific returns. Investors should monitor the development of their investments and be aware of any risks to which their investments are exposed.**

## 9 Financial Instruments Offered

Eurobank Equities provides investment and ancillary services to clients with regard to securities, UCITS units, financial contracts for differences, and derivatives listed on the Athens Exchange as well as on foreign (regulated or non-regulated) markets. In general, the wide range of financial instruments offered by the Company aims at covering the various needs of all investors.

The financial instruments offered to investors include both complex and non-complex financial instruments.

The following are non-complex financial instruments:

- (i) shares admitted to trading on a regulated market or on an equivalent third-country market or on a Multilateral Trading Facility, where those are shares in companies, and excluding shares in non-UCITS collective investment undertakings and shares that embed a derivative,
- (ii) bonds or other forms of securitised debt admitted to trading on a regulated market or on an equivalent third country market or on a Multilateral Trading Facility, excluding those that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved,
- (iii) money-market instruments, excluding those that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved,
- (iv) shares or units in UCITS, excluding structured UCITS as referred to in the second subparagraph of Article 36(1) of Regulation (EU) No 583/2010,
- (v) structured deposits, excluding those that incorporate a structure which makes it difficult for the client to understand the risk of return or the cost of exiting the product before term,
- (vi) other non-complex financial instruments meeting the criteria laid down in the current legislation.

Financial instruments not falling into any of the above categories are considered to be complex.

**Clients are hereby informed that, when exclusively providing the service of execution of client orders or the service of reception and transmission of orders (“execution only” service), as defined above in section “Exemption from the obligation to conduct an appropriateness test”, with regard to any of the aforementioned non-complex financial instruments, the Company is not required to assess the appropriateness of the financial instrument offered or the service provided and that clients are not covered by the corresponding protection afforded by the relevant rules on professional conduct referred to in the current legislation.**

The individual financial instruments are described in the following sections.

### 9.1 *Shares admitted to trading*

Shares are units of interest in an undertaking whose ownership grants the investor certain rights, such as a voting right at the company’s general meetings, a right to participate in profits, where the undertaking decides to distribute dividends, as well as a right to the proceeds of liquidation, in the event of dissolution of the undertaking.

The Company allows its clients to invest in the shares of companies listed on regulated markets or on a Multilateral Trading Facility. The price of such shares evolve depending on supply and demand in said markets.

A société anonyme’s share capital is divided into shares that may be registered or bearer shares. In Greece, in accordance with the current legislation, for specific categories of companies, such as banks, insurance companies, telecommunications companies, etc., shares are required to be registered shares.



In general, shares can be categorised taking into account various characteristics.

A basic distinction can be made between common shares and preferred shares:

- Common Shares: Common shares grant their holders the right to vote at the company's General Meetings, the right to receive dividend, where the company distributes profits, as well as the right to the proceeds of liquidation in the event of dissolution of the company.
- Preferred Shares: Holders of preferred shares have some advantages as compared to holders of ordinary shares, which may consist in the priority (before common shareholders) reception of the dividend distributed and priority repayment of the capital paid by preferred shareholders in the event of liquidation of the company, as well as priority reception of the dividend for prior financial years in which no distribution took place. Furthermore, preferred shares may also be issued without the right to vote at the company's General Meetings or with a right to vote which is limited to certain issues, in accordance with the provisions of the company's Articles of Association. Lastly, preferred shares may also be issued as convertible into common shares, in accordance with the provisions of the company's Articles of Association.

Shares are also distinguished between those that are listed and traded on a regulated market and on multilateral trading facilities and those that are not listed. Trading in shares listed on a regulated market or multilateral trading facility provide a higher level of protection to investors because of the supervision control to which they are subject and the existence of transparency.

Furthermore, shares are distinguished between those that are listed to be traded on the Securities Market of the Athens Exchange or the Alternative Market of the Athens Exchange, which is a Multilateral Trading Facility and a non-regulated market, and those that are listed to be traded on regulated or non-regulated markets abroad.

At the same time, shares can be categorised on the basis of their capitalisation (resulting from multiplying the number of the company's listed shares by the price of the share), which results, for example, in companies (and, accordingly, share categories) of large, medium, or small capitalisation, or on the basis of the company's business sector, such as for example, banking, technology, telecommunications, etc.

All regulated markets have indexes reflecting specific share categories. Such indexes use as their basis the prices of the shares included in each category and they reflect the stock market development/volatility of such shares. An index could include all shares in a stock exchange market.

For example, in the Securities Market of the Athens Exchange indexes used include the FTSE/ATHEX Large Cap (including the shares with the largest capitalisation) and the FTSE/ATHEX Mid Cap (including medium capitalisation companies). The full list of stock exchange indexes and the daily activity of its markets may be consulted in the Daily Price Bulletin issued by the Athens Exchange.

In order to list its shares on a regulated market and raise funds, a company shall launch an Initial Public Offering (IPO), in cooperation with Underwriters. The terms of the public offering (number of shares to be listed, number of shares to be offered through the public offering, optimum (non-binding) number of shares of the subscription application per investor category, range of share price, etc.) shall be set out in the public offering prospectus to be submitted for approval to the supervisory authority of the regulated market. An investor should read and understand this prospectus before deciding to participate in the relevant public offering.

Shares listed and traded on a regulated market are usually classified, based on their particular characteristics, into various trading categories which differ in terms of trading conditions. For example,

under the current Athens Exchange Rulebook, shares are also classified into the categories of “Main Market”, “Under Surveillance”, as well as in a special “To be deleted” category.

In the context of transparency and investor protection, regulated markets and multilateral trading facilities implement a specific methodology to determine the opening and closing prices of shares, while several markets also have a price volatility control mechanism to ensure that prices remain within specific limits and to limit the abrupt fluctuation of such prices.

### **Risks:**

Investments in shares mostly involve the following risks. Risks are detailed in the risk section of this Document:

#### Systemic Risks – General Risks

- Market Risk
- Inflation Risk
- Interest rate Risk
- Exchange Risk
- Liquidity Risk
- Political Risk
- Country Risk

#### Non Systemic Risks - Special Issuer Risks

- Business Risk
- Financial Risk
- Funding Liquidity Risk

#### Other Risks

- Credit Risk
- Counterparty Risk
- Reinvestment and Early Redemption Risk
- Estimation Risk
- Concentration Risk
- Market Efficiency Risk
- Management Risk
- Operational Risk
- Legal Risk
- Basis Risk
- Risk arising from investments relating to foreign legal orders
- Trading Suspension Risk
- Bail-in Risk
- Leverage Risk \*
- Risk of Incorrect Credit Assessment

\* The Leverage Risk appears where investments in shares are offered together with the ancillary service of granting credit or loans. This mechanism is described in a specific section in this Document.

## **9.2      *Bonds, Other Debt Instruments, EMTN***

A bond is a debt instrument whose issuer (borrower) is required to pay to the investor/purchaser of the bond (creditor) the face value of its investment (i.e. the value indicated on the bond) at the bond’s maturity,

as well as interest at specific regular intervals until such maturity, in the event of a bond with interest coupons. By purchasing bonds, the investor expects to benefit from receiving interest and ensure a constant return until maturity (yield to maturity), where the interest rate of the bond is a fixed rate in the event of a bond with interest coupons, and/or to benefit from a possible rise in the bond's price on the secondary market when intending to sell the bond before its maturity. Depending on the terms of their issue, bonds are usually considered to be simple investments products, although the credit risk of the then issuer is not eliminated.

The bond's main characteristics are the following:

- **Face Value/ Par Value:** the value indicated on the bond when issued which corresponds to the repayment price, i.e. the amount that the issuer promises to repay on the bond maturity day.
- **Issue Price:** the price at which the bond is offered by its issuer on its issue date. The issue price may (a) coincide with the face value (at par), or (b) be lower than the face value (below par), or (c) be higher than the face value (above par).
- **Purchase Price:** the price at which the investor purchases the bond.
- **Sale Price:** the price at which the investor sells the bond.
- **Redemption Price:** the price at which the issuer shall repay the investor before the bond's maturity.
- **Interest rate:** the interest rate at which the issuer of the bond borrows money and based on which the interest coupon is determined. The interest rate may be fixed until the bond's maturity date or floating and linked to a benchmark index.
- **Accrued Interest:** interest owed by the issuer but still not due to the investor that has accrued between the date of the last payment and the next coupon payment date or bond sale date.
- **Fair Value:** the present value of the bond's future cash-flows (residual coupons and nominal amount at maturity).
- **Yield to Maturity:** the return the investor will obtain by retaining the bond until its maturity expressed as a percentage (%).
- **Quoted Margin:** (a feature of floating-rate bonds). The Quoted Margin is the predetermined rate by which the bond's coupon rate differs from the reference interest rate. For example, if a floating-rate bond pays a USD Euribor 6 months + 2% coupon, 2% is the bond's quoted margin, it is determined upon the bond's issue and it is usually stable until its maturity date. The Quoted Margin may also not be referred as a percentage, but in Basis Points, where 100 basis points represent 1%.
- **Discount Margin:** In floating-rate bonds, the discount margin expresses the implied bond margin with regard to the corresponding reference rate, on the basis of the current price, the quoted margin, and the remaining lifetime of the bond until its maturity. The discount rate changes during the lifetime of the bond based on the aforementioned factors.

Other characteristics of bonds depending on the terms of their issue:

- **Coupon bonds and Zero Coupon Bonds:** Bonds are distinguished between those that periodically pay interest (coupon bonds) and those that are issued below par and do not provided for any intermediate interest payment but only repayment of the face value at their maturity (zero coupon bonds).
- **Fixed Coupon Bonds:** In fixed coupon bonds, the rate (coupon) is determined upon the issue of the bond and remains fixed until the bond's maturity date.
- **Floating Rate Bonds:** In floating rate bonds, the rate is not fixed and it is adjusted at regular intervals on the basis of the reference rate (for example, Euribor). The reference rate as well as any spread added to or deducted from it are determined at the time of the issue of the bond. The interest paid to the investor for each period depends on the fluctuations of the reference rate.
- **Callable Bonds:** Bonds whose terms of issue provide that the issuer may recall them at specific future dates, i.e. redeem them prior to their determined maturity. For example, if the market rates or the issuer's funding costs are considerably reduced with regard to the bond's coupon, the issuer may exercise the right

of early redemption of the bonds from the investors at the price and on the date set out at the time of their issue.

- **Puttable Bonds:** Bonds whose terms of issue provide that the investor may demand from the issuer their early redemption on specific future dates and at predetermined prices prior to their maturity. For example, if the issuer does not respect predetermined financial indexes or other covenants, the investor may exercise the right of early redemption/sale of the bonds at the price and within a period of time determined at the time of their issue.
- **Convertible Bonds:** Convertible bonds grant the investor the right to convert the bonds in securities of another type of the same issuer, usually shares. This right is granted to the investor at determined time intervals and at a predetermined conversion ratio between the bond and the underlying security and in accordance with predetermined procedures.
- **Structured Bonds:** Bonds whose yield and/or return at maturity are not predetermined but depend on certain tied underlying assets, indexes, or other factors. Structured bonds can, for example, be categorised based on the following:
  - **Guarantee of Face Value upon Maturity:** (a) 100% guarantee of face value upon maturity, (b) partial guarantee of face value upon maturity (c) no guarantee of face value upon maturity, and (d) guarantee conditional upon the occurrence of an event.
  - **Type of underlying asset:** (a) shares or indexes, (b) interest rates, (c) exchange rates, (d) commodities, (e) funds or hedging funds, (f) other underlying asset (freight, indexes tied to climate changes, emissions rights, inflation rates, or other economic statistics, etc.), and (g) combination of two or more underlying assets.
  - **Maturity:** (a) up to 1 year, (b) 1 – 2 years, (c) 3 – 5 years, and (d) more than 5 years.

Bonds distinguished according to their issuer:

- **Government Bonds:** bonds issued by State governments or by the relevant debt management bodies (for example, π.χ. Greek Treasury, US Treasury). Governments cover part of their borrowing needs in this manner.
- **Supranational Bonds:** bonds issued by international organisations (for example, European Investment Bank - EIB).
- **Corporate Bonds:** bonds mostly issued by banks, utilities, and other undertakings.
- **Municipal Bonds:** bonds issued by local governments (for examples, Municipalities).

Bonds distinguished according to their subordination grade, which depends on the coverage priority of the bondholders' claims with respect to other creditors of the issuer from the proceeds of the issuer's liquidation.

- Senior Debt Instruments.
- Subordinated Debt Instruments.

Tier 2 Capital.  
Lower Tier 2 Capital.  
Upper Tier 2 Capital.

Tier 1 Capital.  
Lower Tier 1 Capital.  
Upper Tier 1 Capital.

Bonds distinguished according to the issuer's credit rating: Classification of bonds on the basis of the credit risk they involve, which is mostly based on the issuer's financial performance and prospects. Where an issuer has a good financial performance, its credit rating shall be high. The better the issuer's rating, the lower the risk for the investment capital not to be returned or for the interest not to be paid. Therefore, the

credit rating is very important in order to assess the risk entailed by a bond. Such credit rating is carried out by special companies (external credit rating agencies, ECRA), whose object is to rate the issuer's degree of solvency. The three major ECRAs, operating internationally, and the scales they use to rate bonds are listed below (bold indicates investment grade categories):

Notes: (i) data as of July 2020, (ii) for more information, please consult the relevant websites.

**Standards and Poor's:**

Long-term ratings: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C, D

Short-term ratings: A-1, A-2, A-3, B, C, D

[https://www.standardandpoors.com/en\\_US/web/guest/article/-/view/sourceId/504352](https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352)

**Fitch:**

Long-term ratings: AAA, AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB-, BB+, BB, BB-, B+, B, B-, CCC+, CCC, CCC-, CC, C, RD, D

Short-term ratings: F1+, F1, F2, F3, B, C, RD, D

<https://www.fitchratings.com/site/definitions>

**Moody's Investors Service:**

Long-term ratings: Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3, Ba1, Ba2, Ba3, B1, B2, B3, Caa1, Caa2, Caa3, Ca, C.

Short-term ratings: P-1, P-2, P-3, NP.

[https://www.moody's.com/sites/products/ProductAttachments/AP075378\\_1\\_1408\\_KI.pdf](https://www.moody's.com/sites/products/ProductAttachments/AP075378_1_1408_KI.pdf)

The above classifications are general and each ECRA may have a further break down per type of credit granted (rate per bond, issuer, borrowing structure, etc.).

Ratings are divided into two large categories:

**Investment grade** from the highest (AAA or Aaa) to the minimum grade (BBB- or Baa3) of solvency, and **Non-investment grade or High Yields or Junk Bonds** from the low grade (BB+ or Ba1) to the bankruptcy grade (C or D).

Bonds with a high rate, according to the ECRA's assessment, do not involve high risk and usually offer lower yields. Bonds with a low rate, according to the ECRA's assessment, show that the issuer or the particular bond are not creditworthy, and they involve greater or very significant risk, therefore investors demand higher yields in return.

It should be noted that the price of bonds is quite affected by their credit rating and by any change thereof during the lifetime of the bond.

**Risks:**

Investments in bonds mostly involve the following risks. Risks are detailed in the risk section of this Document:

**Systemic Risks – General Risks**

- Market Risk
- Inflation Risk
- Interest rate Risk

- Exchange Risk
- Liquidity Risk
- Political Risk
- Country Risk

#### Non Systemic Risks - Special Issuer Risks

- Business Risk
- Financial Risk
- Funding Liquidity Risk

#### Other Risks

- Credit Risk
- Counterparty Risk
- Reinvestment and Early Redemption Risk
- Estimation Risk
- Concentration Risk
- Market Efficiency Risk
- Management Risk
- Operational Risk
- Legal Risk
- Basis Risk
- Risk arising from investments relating to foreign legal orders
- Trading Suspension Risk
- Bail-in Risk
- Leverage Risk
- Risk of Incorrect Credit Assessment

With regard to the above risks, the following should be noted in particular:

- (a) It may not be excluded that the issuer will not be able to repay the initial investment and/or to pay interest to the investor, although this is something that would, as a rule, occur if the issuer went bankrupt.
- (b) In fixed-rate bonds, when interest rates rise, the value of the bonds usually decreases. Furthermore, fixed-rate bonds with a longer repayment period and a low coupon are usually more sensitive to interest-rate changes as compared to bonds that have a short repayment period and higher coupons.
- (c) In the event of a raise in interest rates, the investor may find itself in a position where it has committed a large amount of money for returns lower than those it could have obtained had it invested the same amount of money under the new circumstances. The longer the bond repayment period and the lower its coupons, the greater the risk.
- (d) Investments in bonds may result in loss of a certain amount of the bondholder's invested capital, if the bonds are not retained until their maturity.
- (e) The prices of structured bonds on the secondary market are also affected by the underlying assets, and this may result in the loss of up to 100% of the initial capital invested (in case of structured bonds with no capital guarantee) as well as the return.
- (f) The ECRAs credit ratings do not guarantee the likelihood that the bond will be repaid by its maturity, given that they may adversely change during the period from the purchase of the bond until its maturity.

#### Other Notes

Hybrid notes fall into this category:

**Hybrid Notes:** Notes that combine the characteristics of other financial instruments. For example, they may pay dividend like a share and behave on the secondary market like fixed-income instruments. They are subordinated debt instruments and fall within the category of Tier 1 Capital. They may, for example,

pay a specific amount in dividend at regular intervals, like a fixed-income instrument, but at the same time include certain terms that allow the issuer to omit certain payments (as for preferred shares) where it is faced with objectively determined financial difficulties.

Quite often they have no maturity date (perpetual notes), like shares, or have very distant maturity dates (for example, 100 years), but the issuer may repurchase them at predetermined dates (right of recall by the issuer).

**Euro Medium Term Notes:** Eurobank issues mid to long term debt instruments (bonds and notes) under the EMTN Programme of its subsidiaries ERB Hellas plc and ERB Hellas (Cayman Islands) Limited, which are guaranteed by Eurobank. This Programme has been approved by the Commission de Surveillance du Secteur Financier of Luxembourg.

Depending on the characteristics of each issue, the debt instruments issued under the EMTN Programme may be classified into one of the aforementioned categories of bonds or notes.

### **Risks:**

Investments in hybrid notes and EMTN mostly involve the following risks. Risks are detailed in the risk section of this Document:

#### Systemic Risks – General Risks

- Market Risk
- Inflation Risk
- Interest rate Risk
- Exchange Risk
- Liquidity Risk
- Political Risk
- Country Risk

#### Non Systemic Risks - Special Issuer Risks

- Business Risk
- Financial Risk
- Funding Liquidity Risk

#### Other Risks

- Credit Risk
- Counterparty Risk
- Reinvestment and Early Redemption Risk
- Estimation Risk
- Concentration Risk
- Market Efficiency Risk
- Management Risk
- Operational Risk
- Legal Risk
- Basis Risk
- Risk arising from investments relating to foreign legal orders
- Trading Suspension Risk
- Bail-in Risk
- Risk of Incorrect Credit Assessment

### 9.3 *UCITS: Funds & Open-End Investment Companies (SICAV) (hereinafter, individually and jointly, “UCITS”)*

Undertakings for collective investment in transferable securities (UCITS) are organisations whose sole object is to make collective investments in transferable securities or in other liquid financial assets of capital raised from the public, which operate on the principle of risk-spreading, and whose units are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets.

UCITS are governed by the provisions of Directive 2009/65/CE, as amended and currently in force, which has been transposed into Greek law by Law 4099/2012, as currently in force.

UCITS may be constituted in accordance with contract law (as common funds managed by management companies), trust law (as unit trusts), or statute (as investment companies).

A UCITS constituted as a common fund is a body of assets comprising securities, money market instruments, and cash, whose individual elements belong *ab indiviso* to several unit-holders. The common fund is not a legal person and its unit-holders are represented in court and out of court (in terms of the legal effects arising from its management and their rights on its assets) by its management company.

The common fund's assets may be divided at any time into registered units of an equal value or, provided that the units of the common fund are not listed on any regulated market, also into registered fractions of a unit.

A UCITS constituted as an open-end investment company (SICAV) has as its sole object the management of its own portfolio and may not undertake the management of assets on behalf of any third party. The SICAV may either manage its portfolio itself or appoint a management company under Directive 2009/65/CE. The SICAV assets may be divided at any time into registered fully paid shares of an equal value or, provided that the SICAV shares are not listed on any regulated market, also into registered fractions of a share.

The asset value of each UCITS and, therefore, the net price of its units, shall vary, given that the UCITS investments are subject to market volatility and to the risks inherent to investments in securities and other permitted investments. There is no guarantee that the investment return target will be achieved and it is likely that investors will not recover their initial investments.

The net asset value of the UCITS, the net price of the UCITS unit/share (**hereinafter, individually and jointly, the “unit”**), the unit offer price and redemption price shall be determined in accordance with specific rules set out under the applicable law, as the case may be, referred to in the rules or the instruments of incorporation, as the case may be, of the UCITS and/or in its Prospectus. The UCITS net assets, the number of units, the unit net price, the unit offer price and redemption price shall be calculated every business day and posted on the website of the management company or the SICAV, as the case may be.

The following are some indicative categories of UCITS, which have the main features described below that may vary according to the UCITS country of origin and the applicable legislation:

- Money market UCITS: their investment objective is to maintain the value of their initial assets and to provide returns similar to those of money markets, by investing mostly in financial instruments and by placing their assets in deposits held with credit institutions.
- Bond UCITS: they mostly invest in debt instruments.
- Equity UCITS: they mostly invest in shares.
- Mixed UCITS: they invest their assets in both debt instruments and shares.
- Fund of Funds: they mostly invest in units or shares of other UCITS or other undertakings for collective investment, in accordance with the then applicable legislation.



- Complex UCITS: they may invest in all financial instruments provided for under the applicable legislation. Their management aims at achieving, through a mathematical formula, a predetermined return upon their maturity. **Achievement of the predetermined return is under no circumstances considered to be guaranteed.** The predetermined return refers to a number of scenarios, which rely upon the value of the underlying assets and offer various returns to unit-holders depending on the scenario. **Complex UCITS are included in complex investment products.**
- Exchange-Traded UCITS: their units are traded on a regulated market, in accordance with the requirements of the applicable legislation.

The financial instruments in which the UCITS assets may be invested, the UCITS investment objective and investment policy, the investment restrictions, the risks of the portfolio, the costs and charges are indicated, *inter alia*, in the rules or the instruments of incorporation, as the case may be, of the UCITS and in its Prospectus.

### **Risks:**

Investments in UCITS mostly involve the following risks. Risks are detailed in the risk section of this Document:

#### Systemic Risks – General Risks

- Market Risk
- Inflation Risk
- Interest rate Risk
- Exchange Risk
- Liquidity Risk
- Political Risk
- Country Risk

#### Other Risks

- Credit Risk
- Counterparty Risk
- Reinvestment and Early Redemption Risk
- Concentration Risk
- Management Risk\*
- Operational Risk
- Legal Risk
- Bail-in Risk

\* Risk with regard to the use of derivatives financial instruments: Within the limits of the relevant investment policy and the applicable investment restrictions, UCITS may adopt various portfolio management strategies that include the use of derivatives for hedging purposes or for effectively managing the portfolio. The use of such derivatives may achieve or not achieve the purpose sought and it involves further risks which are inherent in such instruments and techniques. In case of hedging transactions, it is necessary for a direct relationship to exist between such transactions and the assets to be hedged, which implies that, as a rule, the value of transactions conducted in a certain currency or market may not exceed the total value of the assets subject to such currency or invested in such market or the period of retention of the portfolio assets. As a rule, these actions do not entail any additional market risks. Therefore, additional risks are limited to the risks of the specific derivatives. In case of transactions aiming at the effective management of the portfolio, the assets retained in the portfolio will not necessarily cover the derivative. Therefore, the UCITS may, in substance, be exposed to additional risks. Furthermore, the UCITS is exposed to risks of specific derivative stock-exchange instruments which are enhanced due to the leveraged structure of such products (for example, volatility of the underlying asset, counterparty risk

in case of over-the-counter transactions, market liquidity, etc.). In case of over-the-counter swap agreements used in Complex UCITS, counterparty risks may be reduced by entering into the Credit Support Annexes with the Counterparty(-ies). In the event of any counterparty(-ies) inability to fulfil their obligations, the UCITS may replace such counterparty and appoint a new counterparty under the current market conditions assuming the possible costs of replacing the initial counterparty.

Detailed information on the risks relating to each UCITS are included in its Prospectus.

**The return of UCITS is not guaranteed and past returns do not guarantee future returns.**

#### 9.4 *Derivatives*

Derivatives are financial instruments whose value is based upon, results from, or follows, as a reference base, the value of other, financial or non-financial products (called underlying assets), such as, for example, exchange rates, interest rates, shares, bonds, stock-exchange indexes, commodities, other prices (for example, climate variables, freight, emissions rights, inflation rates, or other official economic statistics, etc.), assets or even credits. A derivative agreement determines the rights and obligations of the contracting parties with regard to their respective claims, which are determined on the basis of the price of the underlying asset at a specific date or at regular intervals in the future.

Derivatives are distinguished:

- according to the type of rights and obligations of the counterparties, for example, into: swaps, futures or forwards, option agreements,
- depending on the type of the underlying asset (foreign currency, interest rate, stock market indexes, etc.),
- according to whether they are traded on regulated markets or they are concluded outside regulated markets (over-the-counter derivatives), and
- according to whether they are settled in cash or in kind.

Trading in derivatives requires the execution of a special agreement.

Derivatives are used by investors mostly for the following purposes:

- Hedging

Investors trading in derivatives may seek to hedge existing or future risks that may arise from other placements in financial instruments or other commitments undertaken (for example, an investor on the Securities Market of the Athens Exchange wishing to limit the risk of impairment of the value of its portfolio as a result of a possible fall in the price of shares takes a position to hedge this risk on the Derivatives Market).

- Speculation

Investors trading in derivatives may aim at obtaining gain (speculation). In this context, they shall use various financial instruments, according to their expectations always assuming the relevant risk. An important feature of derivatives is that they allow investors to take positions of a value many times that of the amount invested (leverage), thus increasing accordingly the risks they are exposed to.

- Arbitrage

Investors in derivatives may seek to benefit without exposing themselves to market risk, as part of concurrently concluding opposite transactions, taking advantage of short-term imbalances in market prices, i.e. of any differences between the price of the same financial asset on two or more different markets

(arbitrage). Arbitrage requires fast actions and it is therefore usually conducted by investors having a very good knowledge of the markets, having direct access to trading systems, and paying very low or zero transaction commissions.

Eurobank Equities conducts transactions on behalf of its clients in futures and in options. It should be noted that, regarding derivatives on commodities, Eurobank Equities does not support physical delivery of the underlying commodity. Furthermore, it provides to clients the possibility to access the Securities Lending Market of the Athens Exchange, where they may lend or borrow mostly equity instruments.

#### 9.4.1 Futures

Futures contracts are bilateral agreements by which the purchase or sale of a specific quantity of an underlying asset is agreed at a predetermined future date and price.

Futures contracts are stock-exchange derivatives, i.e. financial instruments having standardised terms and listed on a regulated market. They are used for hedging, speculation, or arbitrage purposes.

Each regulated market/derivatives exchange has a clearing house, whose mission is to clear transactions on derivatives and to ensure fulfilment by the contracting parties of their obligations under such transactions, and which operates for this purpose as the central counterparty for investors. The clearing house of the Derivatives Market of the Athens Exchange is “Athens Exchange Clearing House” (ATHEXClear) which operates as the Central Counterparty, within the meaning of Regulation (EU) No 648/2012.

Based on the underlying assets, futures contracts are distinguished as follows:

- Index futures: futures contracts whose underlying asset is a stock-exchange or financial index of the market.
- Stock futures: futures contracts whose underlying asset is a listed share of the market.
- Currency futures: futures contracts whose underlying asset is an exchange rate (pair of currencies).
- Bond futures: futures contracts whose underlying asset is a bond.
- Commodity futures: futures contracts whose underlying asset is a type of commodity.

Futures contracts include some basic terms laid down below:

- **Contract size**: The size of the contract defines the quantity of the underlying asset to which the relevant contract relates.
- **Expiration date**: The contract expiration date.
- **Price of the contract**: The price at which the contracting parties purchase/sell the contract.
- **Settlement price**: The contract settlement price, which is communicated on a daily basis by the clearing house.
- **Margin**: The margin represents the cash or the securities paid or delivered to/by the clearing house and used as guarantee in case the investor is not able to fulfil its obligations arising from the daily settlement of its transactions. The Company may require from its clients a margin other than the one requested by the clearing house. The Margin is distinguished into:
  - **Initial margin**: The margin requested by the clearing house upon conclusion of a transaction.
  - **Variation Margin**: Required where the value of the assets used as initial margin falls below a predetermined limit. In such a case, the holder of the contract is called upon and is required to pay the difference (margin call), otherwise the Company or the clearing house will liquidate the contract and, under some circumstances, the securities given by the client as guarantee may be liquidated or the client's blocked funds may be used.

In futures contracts, value is settled on a daily basis (mark to market) in order to minimise losses from any non-fulfilment of obligations by the investor. Changes in the price of each contract are calculated on a daily basis and the gain or loss (daily settlement margin) is credited or debited accordingly in the investor's account. It should be noted that the daily settlement is calculated on the basis of the futures contract price on the stock-exchange market, which may differ from the price of the asset underlying the futures contract.

With regard to futures contracts listed on the derivatives market of the ATHEX, ATHEXCclear calculates the initial margins and the daily settlement margins of investors by using the RI.VA. (Risk Valuation) calculation algorithm. RI.VA. is based on the calculation of the maximum negative change of an open position due to the volatility of the underlying asset's price within the time required for ATHEXCclear to cover any losses from the closing of this position on the market.

### **Risks:**

Investments in future contracts mostly involve the following risks which also include the risks inherent to the corresponding underlying products. Risks are detailed in the risk section of this Document:

#### Systemic Risks – General Risks

- Market Risk
- Inflation Risk
- Interest rate Risk
- Exchange Risk
- Liquidity Risk
- Political Risk
- Country Risk

#### Non Systemic Risks - Special Issuer Risks

- Business Risk
- Financial Risk
- Funding Liquidity Risk

#### Other Risks

- Credit Risk
- Counterparty Risk
- Reinvestment and Early Redemption Risk
- Estimation Risk
- Concentration Risk
- Market Efficiency Risk
- Management Risk
- Operational Risk
- Legal Risk
- Basis Risk
- Risk arising from investments relating to foreign legal orders
- Trading Suspension Risk
- Bail-in Risk
- Leverage Risk
- Risk of Incorrect Credit Assessment

With regard to the above risks, the following should be noted in particular:

Futures contracts involve significant Leverage Risk for the investor's funds. More specifically, in order to maintain a position in a futures contract, an investor shall deposit/invest, as guarantee, a fraction of the total face value of the contract concluded, which is called a margin. If, for example, the margin is 10% of the face value for a specific futures contract, then the investor who deposits this amount has invested in a product with a 10x leverage factor. Therefore, a percentage change of the futures contract face value by, for example, 5% entails for the investor a 10x greater gain or loss, and in this example a 50% gain or loss. Consequently, the larger the futures contract leverage, the greater the risk of loss of the capital invested.

In general, the investment risk from futures contracts is particularly high and an investor should have sophisticated knowledge and experience so as to be able to follow fluctuations on the derivatives market. It should be noted that, when purchasing a futures contract, the maximum loss that the investor may possibly incur is equal to the contract's face value, while, when selling a futures contract, the maximum loss that the investor may possibly incur, is unlimited.

#### 9.4.2 Options

An option is a bilateral agreement that grants to one of the contracting parties the right (but not the obligation) to purchase or sell, for a premium, the agreed underlying asset at a specific price (strike price), at some time in the future, on the condition that such contracting party will have given a unilateral notice to its counterparty during a certain period of time or on a specific date.

In particular, the buyer of the option pays the contractual value (premium) and acquires the right (but not the obligation) to either purchase (call option buyer) or sell (put option buyer) the underlying asset. On the other hand, the seller of the option receives the value of the option (premium) and undertakes to fulfil its obligations arising from the exercise of the option of its counterparty who purchased the option.

By way of example, the underlying assets may be commodities, currencies, interest rates, stock-exchange indexes. Options are used for hedging, speculation or arbitrage purposes.

Options are either stock-exchange products, i.e. products traded under standardised contracts and listed on regulated markets, or over-the-counter (OTC) products, i.e. transactions concluded outside regulated markets and intended to cover specific investor needs, whose terms and characteristics are agreed in a bilateral agreement.

Options include some basic terms which are described below:

- Type of option: Call option or put option.
- Strike Price: The price at which the buyer of a call or put option may choose to exercise its right to purchase or sell, respectively, the underlying asset.
- Expiration Date: The date on which the option expires (i.e. the last day on which an option may be exercised).
- Settlement Date: The date on which the settlement of the option occurs, either by physical delivery, exchanging the underlying value for cash, or by cash settlement, paying in cash to the buyer of the option the difference between the strike price and the price on the expiration date. The settlement date is usually two (2) business days after the expiration date of the option.
- Contract size: The size of the contract which defines the quantity of the underlying asset included in the relevant contract.
- Premium: The price at which a call option or a put option is acquired.
- Style of exercise: Options are mostly distinguished into American-style and European-style. American-style options may be exercised at any time until the Expiration Date, while European-Style options only on the Expiration Date.

According to the type of underlying asset, options are distinguished into:

- Index options: The option's underlying asset is a stock-exchange index.
- Stock options: The option's underlying asset is a listed share. On the Greek market, only American-style stock options are offered.
- Currency options: The option's underlying asset is an exchange rate (pair of currencies).
- Interest rate options: The option's underlying asset is a reference interest-rate, for example Euribor, Libor, etc.
- Commodity options: The option's underlying asset is a commodity, such as gold, oil, etc.

### **Risks:**

Listed options entail the same risks as futures contracts, as detailed above. In over-the-counter options, the counterparty risk is greater due to the absence of any central counterparty/clearing house. Furthermore, being over-the-counter non-standardised derivatives they involve a high degree of legal risk.

The risk assumed by the buyer of the option is limited to the loss of the premium, also representing the capital it has invested. On the other hand, the risk assumed by the seller of the option is particularly high and the loss of the investor's capital may exceed the initial capital invested including the amount it receives from the sale of the option, and in particular in case of the sale of a call option the risk may be unlimited.

Options are valued by means of a complex statistical model which takes into account the difference between the strike price of the option and the price of the underlying asset (intrinsic value) as well as the likelihood that the investor's expectation will be realised in the period of time until the expiration of the agreement. Furthermore, options are particularly leveraged products, given that a slight change in the price of the underlying asset or the futures contract may multiply gains or losses. Therefore, investors should take into account the fact that changes in the prices of options may be considerable, unforeseeable, and difficult to calculate in practical terms for an investor lacking sophisticated knowledge and experience. In particular, for transactions that relate to the sale of options, the investor is required to pay a margin to the Company and to the clearing house to ensure the smooth performance of the contract. This margin is calculated according to the above by the Company or the clearing house on the basis of a complex statistical model and it may evolve in a manner that the seller of the option may not comprehend, thus creating unexpected demands to cover the margin.

### 9.4.3 Contracts For Differences

Contracts For Differences (CFDs) are OTC (over-the-counter) products. A CFD is a bilateral agreement which aims at exchanging the difference between the opening price and the closing price of the contract multiplied by the number of shares specified in the agreement. In other words, in CFDs, the gain or the loss is determined by the difference between the purchase price and the selling price of the CFD.

This procedure is carried out by the broker who purchases or sells on behalf of the client the relevant shares or indexes or ETFs directly from the spot market and then passes on to the client the gain or the loss through the CFD. The investor may also indirectly participate in all corporate actions, such as receiving dividend, split, etc., even if the registered shareholder of the company is not itself but its broker.

In addition to any other uses, CFDs are used by investors for hedging or speculation purposes by taking long or short positions. Furthermore, contrary to futures contracts and options, CFDs have no expiration date.

### **Risks**

CFDs operate with a margin, i.e. only an initial amount is required in cash, which for high capitalisation and liquidity shares may start at a percentage in the order of 10% of the face value of the position taken by the investor. Therefore, by committing a relevant small amount of funds, the investor may purchase contracts for much larger funds (leverage). It should be noted that the smaller the margin amount paid by the investor the greater the leverage of its funds and, therefore, the greater the likelihood that the investor may incur greater losses of funds, given that a slight change in the value of the asset underlying the CFD has multiplier gain or loss effects on the capital invested.

CFDs involve the same risks as the underlying assets they relate to, as set out above. Furthermore, given that CFDs are mostly over-the-counter products, they involve increased counterparty and liquidity risks. Lastly, when an investor holds a position in CFDs, it may be charged capital (borrowing) interest.

#### 9.4.4 Stock Repos

Stock repos are provided to clients through the Securities Lending Market of the Athens Exchange. Through this market, an investor may lend securities it holds, which it does not, in general, intend to liquidate immediately, and, provided there is demand from other investors, it may receive an interest as income for such action. The interest rate applied is determined by the law of supply and demand at the time the stock repos is concluded. Furthermore, an investor may borrow securities offered by other investors in order to short-sell them as part of its investment strategy. When an investor borrows securities, it is required to provide a margin to the Company and to ATHEXClear to ensure the smooth conduct of the repos. The margin shall be calculated by the Company and ATHEXClear and it shall be covered either by payment in cash or by blocking acceptable securities held by the investor. When short-selling, investors should ensure that they hold the securities they wish to sell and that their actions comply with Regulation (EU) 236/2012. Furthermore, where they intend to lend shares, these should be available (cleared) before conclusion of the lending agreement.

#### **Risks**

Securities lent to ATHEXClear entail a counterparty risk, in case the counterparty investor does not timely return the shares it borrowed. Furthermore, investors who lend securities should consider the time required for ATHEXClear to return the securities, should they recall the borrowing. On the other hand, investors who borrow securities should consider the likelihood of being requested to immediately return, against their will, the securities they borrowed, where these are requested by the counterparty investors. Lastly, it should be noted that stock repos transactions require payment of a margin, which means that the investor should be able to respond on a daily basis and cover the relevant margin, as calculated by the Company and ATHEXClear. Should the investor not timely produce the required margin, the Company and ATHEXClear may liquidate the securities given as guarantee by the borrower or use the borrower's funds that have been blocked.

#### 9.4.5 Miscellaneous

It should be noted that all transactions in derivatives operating with a margin require a disciplined approach, because the likelihood of both gain and loss is much more important.

Furthermore, the descriptions of the above derivatives mostly relate to their common characteristics (manner of exercise, monetary requirements, etc.), while, in some cases, mostly (but not exclusively) for over-the-counter products, their characteristics may deviate from the above types.

## 9.5 *Risks and Financial Instruments Correspondence Table*

Financial instruments Risks	Shares	Bonds	Hybrid Notes & EMTN	UCITS	Futures	Options	CFDs
Market Risk	✓	✓	✓	✓	✓	✓	✓
Inflation Risk	✓	✓	✓	✓	✓	✓	✓
Interest rate Risk	✓	✓	✓	✓	✓	✓	✓
Exchange Risk	✓	✓	✓	✓	✓	✓	✓
Liquidity Risk	✓	✓	✓	✓	✓	✓	✓
Political Risk	✓	✓	✓	✓	✓	✓	✓
Country Risk	✓	✓	✓	✓	✓	✓	✓
Business Risk	✓	✓	✓		✓	✓	✓
Financial Risk	✓	✓	✓		✓	✓	✓
Funding Liquidity Risk	✓	✓	✓		✓	✓	✓
Credit Risk	✓	✓	✓	✓	✓	✓	✓
Counterparty Risk	✓	✓	✓	✓	✓	✓	✓
Reinvestment and Early Redemption Risk	✓	✓	✓	✓	✓	✓	✓
Estimation Risk	✓	✓	✓		✓	✓	✓
Concentration Risk	✓	✓	✓	✓	✓	✓	✓
Market Efficiency Risk	✓	✓	✓		✓	✓	✓
Management Risk	✓	✓	✓	✓	✓	✓	✓
Operational Risk	✓	✓	✓	✓	✓	✓	✓
Legal Risk	✓	✓	✓	✓	✓	✓	✓
Basis Risk	✓	✓	✓		✓	✓	✓
Risk arising from investments relating to foreign legal orders	✓	✓	✓		✓	✓	✓
Trading Suspension Risk	✓	✓	✓		✓	✓	✓
Bail-in Risk	✓	✓	✓	✓	✓	✓	✓
Leverage Risk	✓	✓			✓	✓	✓
Risk of Incorrect Credit Assessment	✓	✓	✓		✓	✓	✓



## 10 Orders relating to listed or non-listed financial instruments

All trading orders regarding financial instruments listed on a regulated or non-regulated market are introduced in special trading systems of the markets or intermediaries used by Eurobank Equities (third companies providing investment services that have access to the markets). It should be noted that not all types of orders are available on all markets or through all transmission channels. Investors should be informed about whether the type of order they wish to give is supported by the trading system in which their transaction will be executed.

Orders to purchase/sell financial instruments should include various information, such as manner of execution, financial instrument, size, price, client account, manner of repayment, etc.

With regard to the *price*, an order may be:

- Market Order: an order indicating the desired size of the financial instrument, without however indicating a ceiling or threshold price at which to execute the transaction. This order is immediately executed at any price available at that time on the market until the quantity of the order is filled. If the entire quantity of the order is not filled, because there is no available quantity of securities on the market, the remainder (non-executed order) shall be cancelled by the system. More specifically, in case that the order to purchase or sell has been introduced before the start of the trading session and is not fully executed at the opening, the remainder shall be converted in a limit order whose price shall be the opening price of the financial instrument. It should be noted that certain markets may not support this type of orders or have rules requiring that market orders be converted into limit orders in order to protect clients against the uncontrolled execution of their orders at very extreme levels. Clients should monitor their orders and Eurobank Equities shall not be liable in case orders are not executed due to automatic conversion as indicated above.
- Limit Order: an order precisely setting the desired quantity and the desired price (maximum price for purchase orders, minimum price for sell orders) of the financial instrument to which it relates and expiring at the end of the trading day.
- At the Opening Order: an order describing the desired quantity of the financial instrument targeted, but defining as desired price the price at the opening of the trading of the financial instrument. If, at the opening of the trading, there exists no available quantity of financial instruments on the market to cover the entire quantity of the order, the remainder (non-executed order) shall be converted into a limit order whose price shall be the opening price.
- At the Close Order: an order describing the desired quantity of the financial instrument targeted, but defining as desired price the price at the closing of the trading of the financial instrument. If, at the closing, the financial instrument is not traded or there exists no available quantity of financial instruments on the market to cover the entire quantity of the order, the remainder (non-executed order) remains a limit order at the closing price until the end of the trading day.
- Stop Order: This is not the same as a limit order. A stop order allows to sell below the market price or to purchase above the market price, where the stop price is approximated or exceeded. A stop order is, in substance, a “dormant” order until the market price approximates the stop price.
- Trailing stop order: an order of this type is, in substance, a stop order, the only difference being that the stop price moves according to the parameters (for example, percentage) defined by the client.
- Stop limit order: an order of this type is a variant of the stop order together with a ceiling or a threshold, which deactivates the stop order should this limit be exceeded upwards or downwards. Actually, it limits transactions within a predetermined range of prices.
- Spread Filter Order: orders of this type are used where the client wishes to give a stop order when the market is highly and abnormally volatile in terms of the price of a financial instrument and there exists a risk that the order may be executed at extreme prices. Use of this filter prevents the execution of orders where specific limits are exceeded. A client having an active spread filter shall, as a rule, benefit in such cases, although it cannot be excluded that in some cases the filter will not operate to its benefit.

**Special note for Stop type orders: Stop type orders are not guaranteed and the Company does not guarantee that they will be executed, since they are affected by the market conditions as well as the supply and demand with regard to the stop price that the client wishes. In case that there is no corresponding supply or demand at the stop price, the order will not be executed. Such phenomena usually occur in cases of extreme changes of prices.**

- Algorithmic order: an order that is executed as part of an automated strategy based on specific parameters or conditions. In general, the purpose of algorithmic orders is either to minimise the impact, in particular, of large orders on the market or to have such orders executed in a specific manner on the basis of an algorithm (for example, VWAP). Clients who wish that their orders be executed in this manner should consult a competent employee in the Company.

With regard to the *lifetime* of the order, the following types of orders exist:

- Rest of the Day: an order lasting only for the current session.
- Good till date: an order expiring on a specific date. This order shall be cancelled by the system, should the price of the order be outside the trading limits on any day until its expiration date. This order will not be automatically re-introduced in the system without a new order by the client.
- Good till cancelled: an order which is valid until cancelled by the client. This order shall be cancelled by the system, should the price of the order be outside the trading limits. This order will not be automatically re-introduced in the system without a new order by the client.

Introduction of a lasting order does not guarantee in all cases that the order will remain active in the order book, since there may be restrictions that will make the order inactive or invalid

*Special Condition* shall be an additional element of the order that has to be accepted by the system in order of a transaction to be concluded (for example, stop condition, fulfilment or cancellation etc.).