MiFID II

PRE-CONTRACTUAL NOTIFICATION

Object of the Pre-Contractual Notification Form

The Pre-Contractual Notification is provided to existing and potential clients for the purpose of supplying general information about the services offered by the Optima bank S.A. (henceforth "the Bank"), the policies and procedures it applies and issues related to its compliance with the provisions of applicable stock market-related legislation on stock markets, and may be subject to changes without prior or later notification, if, and to the extent that, such notification is not required by the law.

If there is any conflict between the content of the Pre-Contractual Notification and the provisions of any agreement concluded between the Bank and a client, the terms of the agreement prevail.

The Pre-Contractual Notification must not be regarded as an incitement or an offer or a recommendation for performing any transaction or the purchase or sale of financial instruments or any investment, nor as provision of investment advice or any other advice.

The copying, reproduction, redistribution or transmission, directly or indirectly to any person, or the publication of all or part of the Pre-Contractual Notification, is not permitted for any reason.

The Bank will notify its clients, within a reasonable timeframe, of any material changes in the information given in the Pre-Contractual Notification that concern the investment service provided to them. This notification may be provided by means of a related post at the Bank's website.

The Bank is not liable for any loss, damages or claim that may arise, directly or indirectly, from any use or misunderstanding of the content of the Pre-Contractual Notification or part thereof or for any action or omission on the part of the recipient of the Pre-Contractual Notification asserting that such action, omission, use or misunderstanding was occasioned by the provision of the Pre-Contractual Notification.

The delivery or reading of the Pre-Contractual Notification does not entail the formation of a contractual or any other legally binding relationship with the client.

The Pre-Contractual Notification aims at informing recipients residing in countries where its use does not constitute a violation of applicable legislation or regulations. None of the investment products or services referred to in the Pre-Contractual Notification are supplied to investors residing in countries where the provision of such investment products or services would constitute a violation of the legislation or of mandatory legislative regulations.

The Pre – Contractual Notification has been formulated in the Greek language. Any translation into a foreign language is provided only for the Client's convenience. In the event of conflict, the Greek text prevails.

Table of Contents

1. Legislative Framework

- Directive 2014/65/EUC on Markets in Financial Instruments (MiFID II).
- Regulation EU 600/2014 on markets in financial instruments (MiFIR).
- Delegated Regulations [regulatory technical standards- RTS – implementing technical standards- ITS].

Directive 2014/65/EU on Markets in Financial Instruments (MiFID II) constitutes a recast of Directive 2004/39/EC and is the main legislative act of the European Union (EU) in connection with the provision of investment services in the countries that are members of the European Economic Area (EEA).

The regulatory framework introduced by the above Directive aims, *inter alia*, at the following:

- reinforcing transparency and the level of protection provided to investors, by establishing specific requirements for the operation of Credit Institutions and Investment Service Providers;
- reinforcing competition between market players, allowing Credit Institutions and Investment Service Providers to compete with Regulated markets;
- facilitating the provision of cross-border investment services within the European Economic Area, thus strengthening further the competition between entities that provide such services.

Directive 2014/65/EU Markets in Financial Instruments Directive - MiFID II) has been incorporated into the national legislation pursuant to Law 4514/2018.

MiFID II establishes the rules that Investment Service Providers and Credit Institutions providing investment and ancillary services or undertake investment activities must observe.

2. MiFID II Services

2.1 Investment and Ancillary Services

In the context of MiFID II, the following are defined as investment and ancillary services:

Investment Services and Activities

(1) Reception and transmission of orders in relation to one or more financial instruments;

(2) Execution of orders on behalf of clients;

(3) Dealing on own account;

(4) Discretionary Asset Management Services;

(5) Advisory Services;

(6) Underwriting and/ or placement of financial instruments placement of financial instruments on a firm commitment basis;

(7) Placement of financial instruments without a firm commitment basis;

(8) Operation of aMultilateral Trading Facility (MTF);

(9) Operation of an Organised Trading Facility (OTF)

Ancillary Services

(1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and ancillary services such as cash/collateral management and excluding providing and maintaining securities accounts at the top tier level ('central maintenance service') referred to in point (2) of Section A of the Annex to the Regulation (EU) No 909/2014;

(2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;

(3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings;

(4) Foreign exchange services where these are connected to the provision of investment services;

(5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments;

(6) Services related to underwriting.

(7) Investment services and activities as well as ancillary services of the type included under Section A or B of Annex 1 related to the underlying of the derivatives included under points (5), (6), (7) and (10) of Section C where these are connected to the provision of investment or ancillary services.

2.2 Financial instruments MiFID II

For the purposes of MiFID II, the definition of financial instruments includes:

(1) Transferable securities;

(2) Money-market instruments;

(3) Units in collective investment undertakings;

(4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash;

(5) Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event;

(6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market, a MTF, or an OTF, except for wholesale energy products traded on an OTF that must be physically settled;

(7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in point 6 of this Section and not being for commercial purposes, which have the characteristics of other derivative financial instruments;

(8) Derivative instruments for the transfer of credit risk;

(9) Financial contracts for differences;

(10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative

financial instruments, having regard to whether, inter alia, they are traded on a regulated market, OTF, or an MTF;

(11) Emission allowances consisting of any units recognised for compliance with the requirements of Directive 2003/87/EC (Emissions Trading Scheme).

Regarding certain provisions of MiFID II, structured deposits are treated as financial instruments. Structured deposit means a bank deposit which is fully repayable at maturity on terms under which interest or a premium will be paid or is at risk, according to a formula involving factors such as:

- an index or combination of indices, excluding variable rate deposits whose return is directly linked to an interest rate index such as Euribor or Libor;
- a financial instrument or combination of financial instruments;
- a commodity or combination of commodities or other physical or non-physical non-fungible assets; or
- a foreign exchange rate or combination of foreign exchange rates.

3. Optima bank S.A.

3.1 Information about the Bank

The Bank is one of the largest members of the Athens Exchange based on value of transactions both in the securities market and the derivatives market at the AE. The Bank has obtained an operating permit (No. 52/2/17.12.99) and is regulated by the Bank of Greece (21 E. Venizelou Street, Athens 102 50, tel. 210 3201111). It has long experience in both the domestic and international markets, and offers high-quality financial services, in line with best practice internationally. The Bank offers all the investment and ancillary services outlined in Section 2: MiFID II Services (excepting service 8 & 9). It is a member of the Athens Exchange, a remote member of the Cyprus Stock Exchange and a member of the European Securities Network (ESN).

Contact Information	
Address	32 Aigialeias & ParadisSou Str., Marousi 151 25, Athens
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Fax No.	210 8173101
Website	www.optimabank.gr
e-mail	hello@optimabank.gr

3.2 Communication with the Client

The official language of communication between Bank and client is the Greek language. The Bank may at its discretion communicate with the client in the Greek and/or the English language.

The main means of communication between Bank and client are by telephone, mail, fax, e-mail and personal contacts with the staff of the Bank's network.

The Bank communicates with the client based on the fact that the contact particulars that the client has stated are accurate. Any materials or documents sent to the client are sent by using the contact particulars that are available in the Bank's files.

In the context of executing orders concerning transactions with financial instruments, clients may submit their orders in writing, by telephone, by fax message or via e-mail, via electronic platform or bloomberg mail, chat, or in person by recording client's orders given during meetings. Under applicable Greek legislation, the Bank is obligated, after first notifying the client, to record the conversation in the case of an order given by telephone, when dealing on own account or within the context of providing the investment services of reception and transmission or/and execution of clients' orders

The said telephone and email communication include the following:

- Communications with the client or with a person acting on behalf of the client relating to an agreement, pursuant to which the Bank will provide one of the respective services (reception and transmission or/and execution of clients' orders), either an administrator or an intermediary.
- Communications with any other person relevant to carrying out transactions when dealing on own account and the provision of services in accordance with the execution of client's orders relating to the reception, transmission and execution of clients' orders. The cases of transmission of an order to a broker as well as placing an order to be executed are also included along with communications relevant to handling orders (including the promotion or acceptance of transactions).

The same practice (recording the order after first notifying the client) is observed when orders are given via an electronic platform or a website. In cases where the order is given in person, the date and time of the meetings are recorded as well as the location where the meetings took place, the identity of the participants and the meetings' coordinator. In any case, if the order is given in oral form, the Bank reserves the right to request the client to submit the order again, in writing.

Upon the client's request, a copy of the communication's recording shall be available. It is noted that the recording of the communication with the client is conducted solely for his protection. Consequently, the client shall not avoid but, on the contrary, he should pursue the recording of his communication with the Bank's stuff that is linked to the provision of investment services and he shall not communicate with the Bank in such a way that recording becomes infeasible.

3.3 Notices to Clients

In the context of providing investment and ancillary services, the Bank supplies to its clients the necessary information regarding the execution of their orders and/or the management of their portfolio, and periodically sends them a list of their financial instruments and funds that are being kept in safe custody by the Bank.

In particular, in the context of providing investment services other than discretionary asset management, after executing a client's order in any of the financial instruments included in Section 11 (Financial Instruments) hereof, the Bank provides to the client, by mail or any other durable medium of communication agreed with him, the essential information regarding the execution of the order. The Bank provides the client with the confirmation of execution of his order as soon as possible and in every case not later than the first business day after execution of the order. If the order is executed by a third party, the Bank sends to the client the order confirmation when it receives it from such third party and in every case not later than the first business day after receiving the confirmation from the third party. If the third party sends the order confirmation directly to the client, the Bank is not obligated to send any order confirmation.

The Bank reserves the right to consent to the limited application of the detailed requirements which are required in relation to the client information within the context of the provision of investments services, excluding discretionary asset management in the case of eligible counterparties.

Additionally, the Bank sends to the client, at least on a Quarterly basis, by mail or any other durable medium of communication agreed with the client, a list of his financial instruments and funds that are being kept in safe custody by the Bank, except if the client has already been notified thereof by another periodic list. Upon client request, the Bank shall provide such statement more frequently at a commercial cost.

The statement of client assets shall include the following information:

(a) details of all the financial instruments or funds held by the Bank for the client at the end of the period covered by the statement;

(b) the extent to which any client financial instruments or client funds have been the subject of securities financing transactions;

(c) the extent of any benefit that has accrued to the client by virtue of participation in any securities financing transactions, and the basis on which that benefit has accrued;

(d) a clear indication of the assets or funds which are subject to the rules of Directive 2014/65/EU and its implementing measures and those that are not, such as those that are subject to Title Transfer Collateral Agreement;

(e) a clear indication of which assets are affected by some peculiarities in their ownership status, for instance due to a security interest;

(f) the market or estimated value, when the market value is not available, of the financial instruments included in the statement with a clear indication of the fact that the absence of a market price is likely to be indicative of a lack of liquidity. The evaluation of the estimated value shall be performed by the firm on a best effort basis.

In cases where the portfolio of a client includes the proceeds of one or more unsettled transactions, the information referred to in point (a) may be based either on the trade date or the settlement date, provided that the same basis is applied consistently to all such information in the statement.

If the Bank maintains a retail client's account which includes placements in leveraged financial instruments or transactions which are likely to trigger a relevant obligation, the Bank informs the client respectively in case the initial value of the instrument is depreciated by 10% and, from that time on, by any multiples of such 10%. The reports shall be submitted for each instrument separately unless otherwise agreed upon with the client, and the submission must take place at the latest by the closing of the business day on which the limit was exceeded, or, if the limit was exceeded on a non- business day, at the closing of the next business day. The calculation of the excess of limit and the reporting are made on an instrument-by-instrument basis. The calculation is based on the value of the financial instrument in relation to its average purchase price.

The periodic statement of client assets referred to in paragraph 1 shall not be provided where the investment firm provides its clients with access to an online system, which qualifies as a durable medium, where up-to-date statements of client's financial instruments or funds can be easily accessed by the client and the firm has evidence that the client has accessed this statement at least once during the relevant quarter.

Regarding the notification received by clients to whom the Bank provides discretionary asset management services, please refer to article 7.3 below.

3.4 Management of Client Complaints

The Bank, aiming at complying fully with applicable regulatory requirements and also at providing quality services to its clients, has established and observes effective and transparent procedures for handling complaints received by existing and potential clients.

According to the Bank's Complaints Management Procedure, the client can submit his complaint, free of charge, by phone or in writing, via mail, fax, e-mail, or personally, to the Bank's staff followed by simultaneous recording of the complaint in the last case.

The Bank's staff will respond to the client using the same medium of communication that the client used to submit his complaint. In particular, if the client submits his complaint in writing, the Bank's staff is bound to reply in writing.

Irrespective of the method by which the complaint is delivered, the Bank's staff will examine the client's complaint and reply within reasonable time and, in any case, within 45 days (as provided in the Bank's Complaints Management Procedure) in the language the complaint was filed or, the language used between the Bank and the client in their relation in the context of the provision of investment services. The client is entitled to be informed as to the progress of the resolution of his complaint during the course of such resolution. If the resolution of the complaint exceeds the time limit provided, the client will be notified of the delay.

3.5 Costs and Charges

Costs, commissions, duty, and any other charges related to the provision of investment and ancillary services and the execution of transactions with financial instruments are as provided in the Bank's pricing policy as applying each time and the relevant regulatory / taxation provisions. Commission and/or duty charges are usually debited per each transaction. There are cases when commission and/or duty charges may be debited periodically, based on the value of the client's portfolio. The Bank's pricing policy is made available to the client, for his information, before investment and ancillary services are provided.

In addition, in the context of providing investment or ancillary services there may arise charges, including taxes, as a result of transactions with financial instruments and the provision of the investment service agreed, which [charges] are not imposed by the Bank and are not paid to it.

Information to clients on the costs and charges:

The Bank provides information to clients on all costs and charges which may burden the client and which occur from every transaction that the Bank executes on behalf of the client, both in advance and once a year aggregately. In case the actual cost is not known in advance, the Bank is entitled to base the information on reasonable estimations.

Information content

The client is informed:

a) On all costs and associated charges charged by the Bank or other parties where the client has been directed to such other parties, for the investment services(s) and/or ancillary services provided to the client. Third party payments received by the Bank in connection with the investment service provided to a client shall be itemised separately and the aggregated costs and charges shall be totalled and expressed both as a cash amount and as a percentage.
b) On all costs and charges associated with the manufacturing and managing of the financial instruments.
c) Where any part of the total costs and charges is to be paid in or represents an amount of foreign currency, the Bank shall provide an indication of the currency involved and the applicable currency conversion rates and costs. The Bank shall also inform about the arrangements for payment or other performance.
d) On an illustration which shows the effect of the overall costs and charges on the return of the investment.

The client is entitled to demand more detailed information upon request.

Information in advance regarding the cost of the financial instruments:

The obligation to provide in good time a full ex-ante disclosure of information under b) above shall apply to the Bank in the following situations:

(a) where the Bank recommends or markets financial instruments to clients; or

(b) where the Bank providing any investment services is required to provide clients with a UCITS KIID or PRIIPs KID in relation to the relevant financial instruments, in accordance with relevant Union legislation.

Annual periodic information:

The Bank shall provide annual ex-post information about all costs and charges related to both the financial instrument(s) and investment and ancillary service(s) where it has recommended or marketed the financial instrument(s) or where it has provided the client with the KID/KIID in relation to the financial instrument(s) and it has or has had an ongoing relationship with the client during the year. Such information shall be based on costs incurred and shall be provided on a personalized basis. The Bank may choose to provide such aggregated information on costs and charges of the investment services and the financial instruments together with any existing periodic reporting to clients.

3.6 Inducements

In the context of providing investment and ancillary services, discretionary asset management service excluded, the Bank may pay or collect fees or commission, and provide non-cash benefits to/from a third party. The above duty, commission or non-cash benefits are regarded as a premium and are different from the ordinary fees paid by the client.

The collection or payment of such fees, commission or non-cash benefits facilitates or is necessary for, or aims at, improving the quality of the service provided to the client. Such fees, commission or non-cash benefits have been designed so as not to lead to conflict of interest upon the exercise of the duties of the Bank, which acts in a manner that is honest, fair and professional, as per its obligation to act for the benefit of the client. Indicatively, the Bank may pay or receive consideration to/from third parties in order to:

- mediate in transmitting orders of its clients to third parties;
- provide to its clients printed reports instead of such reports being provided to the clients by the company (third party) offering the product, so as to minimise the overall cost of the transaction;
- provide to its clients additional reports as compared to those required by the law;
- provide to its clients information about their portfolios on an *ad hoc* basis.

When providing discretionary asset management service the Bank shall not accept and retain fees, commissions or any monetary or non-monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the provision of the service to clients.

The Bank returns to clients any fees, commissions or any monetary benefits paid or provided by any third party or a person acting on behalf of a third party in relation to the services provided to that client relating to discretionary asset management as soon as reasonably possible after receipt. Minor non-monetary benefits that are capable of enhancing the quality of service provided to a client and are of a scale and nature such that they could not be judged to impair compliance with the Bank’s duty to act in the best interest of the client shall be clearly disclosed and are excluded from this provision.

The Bank has developed and observes an Inducements Policy. Additional information about the amount or the method of calculating such fees/commission or other non-cash benefits that may have arisen in the context of providing investment and related services are available in Annex E hereof. Following a request by the client, the Bank provides further information about the inducements received/paid.

3.7 Tied Agents

A "Tied Agent" means an individual or a legal entity established in a member-state of the European Economic Area (EEA)[1], who/which, acting under the full and unconditional liability of one only Investment Service Provider/Credit Institution of a member-state on behalf of which he/it is acting, may advertise investment and/or ancillary services, receive and transmit client orders related to investment services for financial instruments, mediate for the placement of financial instruments, and/or provide advice to clients or potential clients in connection to such financial instruments or services.

[1] European Union, Lichtenstein, Norway and Iceland.

The Bank may appoint tied agents for the provision of the above services.

The Bank ensures that its tied agents are entered into the competent public register of tied agents established by each member-state of the European Economic Area (EEA) in which they are located.

3.8 Personal Data Protection

The Bank, acting as a Data Controller, processes Customer's personal data in accordance with the applicable European and national laws and regulations. The document "Information of the Customers of Optima bank S.A. on the Processing of Personal Data in accordance with the General Data Protection Regulation (GDPR)", available at the Bank;s branches and posted on its website (www.optimabank.gr), specifies in detail the categories of personal data of the Client processed by the Bank , their origin, processing purposes, the recipients of the data, their possible transmission to third countries outside the European Economic Area, any automated decision making process, the retention period of such data, the Client' s rights regarding the protection of personal data, the way of protecting the personal data and the contact details of the Bank for any questions the Client may have regarding his personal data and for the exercise of his rights.

4. Client Classification

The Bank, in accordance with MiFID II's regulatory framework, classifies its clients in specific categories. Client classification is effected in accordance with the criteria that are provided in applicable legislation, the services / financial products provided and the available information about the client.

The legislation provides for three client categories: the "Retail Client", the "Professional Client" and the "Eligible Counter-Party". The Bank, in accordance with the legislation, treats each client category differently as regards the level of protection and information provided.

Specifically, the Retail Client enjoys the highest level of protection and information as compared to the Professional Client or the Eligible Counter-Party, who, in some cases, receive a lower level of protection and information, since they are considered more experienced and knowledgeable about the investment sector (please refer to Section 4.4: Differences in Client Protection).

The Bank effects the classification of its clients on the basis of the data it has available. For this reason, clients are under the obligation, and are encouraged, to notify their data in the fullest possible way, so as to contribute to their classification, and to notify any changes in such data. The Bank states that it bears no liability for any erroneous classification of a client due to his providing insufficient and/or inaccurate data.

4.1 Retail Clients

Retail Clients are considered those who do not meet the criteria for being treated as Professional Clients or lack potential to be treated as Eligible Counter-Parties.

4.2 Professional Clients

According to the legislation, professional Clients are considered:

- The entities listed below, which must obtain an operating permit or be subject to regulatory rules in order to exercise activities in financial markets, irrespective of whether they have obtained a permit from a member-state in application of a European Directive or have obtained a permit or are subject to regulatory rules of a member-state without reference to such a Directive or have obtained a permit or are subject to regulatory rules of a third country:
    - Credit Institutions
    - Investment Service Providers
    - Other financial institutions that have obtained a permit or are subject to regulatory rules

  - Insurance firms
  - Collective investment undertakings and companies managing same
  - Pension funds and companies managing same
  - Traders in commodity markets and related derivatives
  - Local firms
  - Other institutional investors

- Large businesses meeting at least two of the following criteria as to size, on a proportionate basis:
  - Total balance-sheet of at least EUR 20,000,000
  - Net turnover of at least EUR 40,000,000
  - Equity of at least EUR 2,000,000
- National and regional governments, public entities managing public debt, Central Banks, international and supra-national organisations such as the World Bank, the International Monetary Fund, the European Central Bank, the European Investment Bank, and other similar international organisations.
- Other institutional investors of which the main activity is investing in financial instruments, including entities of which the sole objective is the securitization of assets or other financial transactions.

4.3 Eligible Counter-Parties

According to the legislation, the following types of entity can be considered Eligible Counter-Parties:

- Investment Service Providers
- Credit Institutions
- Insurance Firms
- Undertakings for Collective Investment in Transferable Securities (UCITS) and companies managing same
- Pension funds and companies managing same
- Other financial institutions that have obtained a permit from a member-state or are subject to rules of European Union law or the national law of a member-state
- National governments and their respective departments, including public entities managing public debt on a national scale.
- Central banks
- Supra-national organisations

The Regional Authorities are excluded from the Eligible Counter-Parties but may request to be treated as professional clients.

Eligible Counter-Parties clients are considered to be those who, admittedly, have the required experience and knowledge, and in addition they maintain a financial state that permits them to overcome the risks undertaken within the context of the provision of financial services. Such clients need a lower level of protection in comparison with professional and retail clients.

For further information regarding the obligations of the Bank with respect to the Eligible Counter-Parties, please advise section 4.4 “Differences in client protection”.

4.4 Differences in Client Protection

When providing investment services or, where appropriate, ancillary services to clients, the Bank shall act honestly, fairly and professionally in accordance with the best interests of its clients and take all appropriate steps to identify and to prevent or manage conflicts of interest between themselves, including their managers, employees and tied agents, or any person directly or indirectly linked to them by control and their clients or between one client and another that arise in the course of providing any investment and ancillary services, or combinations thereof, including those caused by the receipt of inducements from third parties or by the investment firm's own remuneration and other incentive structures.

Clients or potential clients are provided in time with suitable information for the Bank and the services, the financial instruments as well as the classification of the client or potential client (Retail or Professional Clients or Eligible Counter-Party)potential client (retail client or .

A different level of protection is provided according to the client's classification.

As noted in the preceding section, Retail Clients receive the highest level of protection and information compared to Professional Clients and Eligible Counter-Parties.

Briefly, the additional protection and information provided to Retail Clients have as follows:

(a) Retail Clients receive more information about the costs, commission, fees and the respective prices of the services and, in cases, the cost of the financial instrument that is suggested or advertised, the payment method as well as all payments to third parties.

(b) Based on applicable legislation, the Bank, if it offers investment services other than advisory or discretionary asset management, asks the Retail Client to provide information regarding his knowledge and experience of the specific type of the investment product or service to be provided, so it can assess the degree to which the investment service or product envisaged is compatible with the client's knowledge and experience. If the Bank considers, based on the information it has received, that the product or service is not compatible with the Retail Client's knowledge and experience, it will notify the client as appropriate. Note that the Bank is not under the obligation to undertake the above assessment in certain cases provided in the legislation (please refer to Section 6.1: Compatibility Assessment).

By contrast, the Bank shall be entitled, as provided in MIFID II, to consider that a Professional Client has the necessary experience and the required knowledge to understand the risks connected to the investment services or transactions or the types of transaction or product for which the client has been classified as a Professional Client.

Consequently, and contrary to the case of a Retail Client, the Bank does not generally need to receive additional information about the client for the purpose of assessing compatibility with the products and services for which the client has been classified as a Professional Client.

(c) Upon executing orders, Investment Service Providers and Credit Institutions must take all sufficient measures in order to attain "best execution", i.e. attain the best possible outcome for their clients.

When the Bank executes an order on behalf of a Retail Client, the best possible outcome is determined in relation to the overall consideration representing the price of the financial instrument and the costs connected to the execution, including all expenses borne by the client and directly connected to the execution of the order, such as, in particular, the duty received by the execution venue , clearance and settlement duty, and all other fees paid to third parties that contribute in the execution of the order.

When the Bank provides best execution to Professional Clients it is not obligated to consider the overall costs of the transaction as the most important factor in attaining best execution.

(d) The Bank, when providing advisory or discretionary asset management services, must obtain from clients the information required for reaching a reasonable conclusion, taking into due consideration the nature and extent of the service provided, that the specific transaction to be set up in the context of providing the advisory service or to be realised in the context of providing the discretionary asset management service meets the following criteria:

(i) is in line with the client's investment objectives, the client's risk tolerance included

(ii) is such that it aligns with the client's financial situation and the client can sustain the burden of any related investment risk that is compatible with his investment objectives, including the client's ability to bear losses

(iii) is such that the client has the required experience and knowledge to understand the risks that the transaction or the management of his portfolio entail.

When the Bank provides an investment service to a Professional client it will be entitled to consider that the client has the required level of experience and knowledge for the purposes of para. (iii) above as to the products, transactions and services for which he has been so classified. In addition, in certain cases, it shall be entitled to consider that the Professional Client is capable, from a financial point of view, to assume any related investment risk that is compatible with its investment objectives.

(e) When providing advisory services, the Bank shall provide a 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, client's knowledge and experience and client's attitude to risk and capacity for loss.

In the suitability report, the Bank includes information as to whether the suggested services or instruments would demand that the retail client should entertain the thought of a periodic reevaluation of their rules.

In case the Bank provides the service of discretionary asset management or has informed the client that a periodic assessment of his suitability will be conducted, the periodic report shall contain an updated statement regarding the way in which the investment satisfies the preferences, the goals and other characteristics of the retail client.

(f) The Bank shall inform the retail clients for any profound constraint which may affect the execution of the order(s), as soon as the respective knowledge is gained.

(g) If the Bank maintains a retail client's account which includes placements in leveraged financial instruments or transactions which are likely to trigger a relevant obligation, the Bank informs the client respectively in case the initial value of the instrument is depreciated by 10% and, from that time on, by any multiples of such 10%. The reports shall be submitted for each instrument separately unless otherwise agreed upon with the client, and the submission must take place at the latest by the closing of the business day on which the limit was exceeded, or, if the limit was exceeded on a non- business day, at the closing of the next business day.

(h) Retail clients may be entitled to compensation from the Athens Exchange Members' Guarantee Fund (please refer to Section 10: Insurance Cover / Compensation Plan).

Professional clients receive the same level of protection and the same information as the retail client as follows:

(a) The Bank ensures that all information, the advertising announcements included, addressed to or disseminated in such a way that clients or potential clients are likely to receive them, fulfill the requirements for accurate, clear and non-misleading information.

(b) During the provision of advisory or discretionary asset management services, the Bank shall comply with the obligation of the suitability assessment of the service or of the financial instrument in relation to the client (Retail, Professional), in order to assess that the transaction, which is recommended or conducted through the provision of the portfolio management service, fulfills the investment goals of the respective client.

(c) the Bank provides the client (Retail and Professional) with:

(i) information in respect of execution of orders other than for discretionary asset management

(ii) periodic statements in respect of discretionary asset management

(iii) periodic statements of client financial instruments orclient funds which are held by the Bank

(iv) annual ex -post information about all costs and charges related to both the financial instrument and investment and ancillary service where it has recommended or marketed the financial instrument or where it has provided the client with the KID/KIID in relation to the financial instrument and it has or has had an ongoing relationship with the client during the year

(d) When the Bank offers advisory services on an independent or even non-independent basis, the client shall be informed in good time in a clear and concise way of the following:

- prior to the provision of the investment advice, the Bank informs the client, in a durable medium of communication, whether and why investment advice qualifies as independent or non-independent and the type and nature of the restrictions that apply, including, when providing investment advice on an independent basis, the prohibition to receive and retain inducements align with an independent or non-independent bases.

- the range of financial instruments that may be recommended, including the firm's relationship with the issuers or providers of the instruments.

- the type of the financial instruments in examination, the range of the financial instruments and the providers for each type of instrument in accordance with the field of the service and, during the provision of an independent service.

- a description of the types of financial instruments considered, the range of financial instruments and providers analyzed per each type of instrument according to the scope of the service.

- when providing independent advice, how the service provided satisfies the conditions for the provision of investment advice on an independent basis

- the factors taken into consideration in the selection process used by the investment firm to recommend financial instruments, such as risks, costs and complexity of the financial instruments.

- when the range of financial instruments assessed by the Bank providing advisory services on an independent basis includes the Bank's own financial instruments or those issued or provided by entities having close links or any other close legal or economic relationship with the Bank as well as other issuers or providers which are not linked or related, the Bank shall distinguish, for each type of financial instrument, the range of the financial instruments issued or provided by entities not having any links with the Bank.

(e) While executing orders, the Bank shall comply with the best execution requirement. The Bank shall provide clients (Retail and Professional) in durable medium of communication or by its web site and prior to the provision of the service with information regarding the orders execution policy which the Bank applies. The said information shall explain clearly, in sufficient detail and in a comprehensible way to the client the way in which the Bank will execute the orders on his behalf (for further information regarding the content of information provided by the Bank in respect to the applied execution policy, please refer to Section 14.).

Moreover, within the context of the best execution requirements, the Bank shall summarize and publish on an annual basis and for each category of financial instruments the first five execution venues in terms of trading volumes, where the clients' orders were executed during the preceding year as well as data concerning the quality of the execution.

(f) When the Bank provides the service of discretionary asset management it shall inform the client where the overall value of the portfolio, as evaluated at the beginning of each reporting period, depreciates by 10 % and thereafter at multiples of 10 %, no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.

(g) The Bank shall not use on own account or for the account of another client any financial instruments that are managed on behalf of a client without the latter's prior written consent.

(h) When the Bank provides any investment service or the ancillary service to a client, the Bank shall enter into a written basic agreement with the client, in paper or another durable medium, setting out the essential rights and obligations of the firm and the client.

The written agreement shall set out the essential rights and obligations of the parties, and shall include the following:

(i) a description of the services, and where relevant the nature and extent of the investment advice, to be provided;

(ii) in case of discretionary asset management services, the types of financial instruments that may be purchased and sold and the types of transactions that may be undertaken on behalf of the client, as well as any instruments or transactions prohibited; and

(iii) a description of the main features of any services to be provided, including where applicable the role of the firm with respect to corporate actions relating to client instruments and the terms on which securities financing transactions involving client securities will generate a return for the client.

When the Bank is providing investment services to professional clients, the Bank shall have the right to agree to a limited application of the detailed requirements regarding the provision of information on costs and charges with these clients. The Bank shall not be allowed to agree such limitations when the services of investment advice or portfolio management are provided or when, irrespective of the investment service provided, the financial instruments concerned embed a derivative

In its relationship with eligible counterparties, the Bank shall act honestly, fairly and professionally and communicate in a way which is fair, clear and not misleading, taking into account the nature of the eligible counterparty and the nature of its business. The Bank shall take all appropriate steps to identify and to prevent or manage conflicts of interest between themselves, and their clients or between one client and another that arise in the course of providing any investment and ancillary services, or combinations thereof, including those caused by the receipt of inducements from third parties or by the Bank's own remuneration and other incentive structures.

In cases where the Bank provides to an Eligible Counterparty the investment services of reception and transmission of its clients' orders, the execution of orders on behalf of the clients or/and any ancillary service which is directly related to transactions within the framework of such services:

- The Bank shall provide information with regard to the Bank and its services, the risks associated with financial instruments and services,
- The Bank provides periodic statements regarding client financial instruments and the client funds which are held by the Bank.

The Bank has the right to agree in a restricted implementation of the detailed requirements regarding:

- The confirmation of the execution of the transaction
- The information on costs and relevant charges unless, regardless of the provided investment service, the respective financial instruments embed a derivative and the Eligible Counterparty is willing to offer them to its clients,
- The reporting obligations concerning the safeguarding of client financial instruments or client funds
- The obligations of concluding an agreement.

The Bank is not obliged, when providing to an Eligible Counterparty the investment services of reception and transmission of clients' orders, execution of orders on behalf of clients and/or any other ancillary service directly connected to transactions within the context of such services, to

- Conduct an appropriateness assessment in relation to the provided product or service, since Eligible Counterparties are considered to possess the required expertise in order to understand the investment risks associated with the products or the services which they wish to receive
- Execute orders on behalf of the Eligible Counterparty in accordance with the best execution principles and to provide the client with a best execution statement
- Disclose information on any remuneration or commission paid or received by the Bank
- Provide information on transactions which may entail potential further obligations.

As regards investment services other than reception and transmission of orders, execution of orders on behalf of clients and/or any related service directly connected to the above transactions, they [eligible counter-parties] will be treated as professionals, except if they request to be treated as retail clients. It is at the Bank's discretion whether to accept or not such a request on the part of an eligible counter-party for change in classification.

5. Change in Client Classification

According to the legislation, clients are entitled to request in writing a change in their classification, subject to the condition that they meet the specific requirements and criteria provided in the legislation. According to the Client Classification Policy instituted by the Bank, the following changes in classification are possible:

Initial Classification	Possible Changes of Classification
Retail Client	Professional Client
Professional Client	Retail Client
Professional Client	Eligible Counter-Party
Eligible Counter-Party	Professional Client
Eligible Counter-Party	Retail Client

In all the above cases of re-classification, the client, in order to request a change of his classification, must submit a written application. The Bank will assess the client's request and will notify him in writing of the result of the assessment. The Bank reserves the right not to accept the client's request, if it is reasonably determined that the requirements for a classification change are not met and, simultaneously, the requested classification change does not provide a higher level of protection for the client.

Based on the re-classification request, the Bank will notify the client of the new category under which he will be classed and of the date as of which the new classification will apply.

5.1 Retail to Professional

A Retail Client can be re-classified as a Professional Client, subject to the condition that he meets at least two (2) of the following criteria:

- The client has performed a quarterly average of ten (10) transactions with total volume over EUR 500,000 in the relevant market over the last four (4) quarters.

- The value of the client's investment portfolio exceeds EUR 500,000, including deposits.
- The client is working, or has worked, in the financial sector for at least one year, at a job position requiring knowledge of the desired transactions or services.

We hereby advise you that upon a change of Classification from Retail Client to Professional Client, the client relinquishes the higher level of protection and information provided to Retail Clients.

The Bank reserves the right not to accept the client's request if the above criteria are not met and if it arises, from the assessment it conducts, that the client's skills, knowledge and experience are not sufficient to enable him to take investment decisions in full awareness of the risks involved.

In case the conditions under which a client requested and achieved to be categorised as a professional client are not satisfied any longer, the Bank shall re-categorise the said client as a retail client and inform him respectively (at least yearly, unless it comes to to the attention of the Bank any time sooner.)

5.2 Professional to Retail

A Professional Client who considers that he does not have sufficient knowledge and experience to evaluate and manage the risks connected to his investments, is entitled to request to be treated as a Retail Client, so as to enjoy a higher level of protection.

5.3 Eligible Counter-Party to Professional or Retail

An Eligible Counter-Party who wishes to enjoy a higher level of protection, may request to be classified and treated as a Professional or Private Client.

6. Appropriateness and Suitability Assessment

In the context of providing investment services, the Bank obtains the information necessary for it to assess the degree to which its clients have the required knowledge and experience to understand the risks that may be connected to transactions in specific financial instruments, and also the degree to which the investment services and/or financial instruments provided are appropriate or suitable for them in the light of their investment aims and needs.

Depending on the classification of each client (Retail, Professional) and the respective investment service provided, the checks that are conducted focus on evaluating knowledge and experience, on the investment aims, and on the financial position of the clients (as shown in the table below).

	Execution or Reception and Transmission of Orders		Advisory Service		Discretionary Asset Management Service	
	Retail Clients	Professional Clients	Retail Clients	Professional Clients	Retail Clients	Professional Clients
Knowledge and Experience	✓		✓		✓	
Investment Aims			✓	✓	✓	✓

Financial Position			✓	✓*	✓	✓

* Required only in the case of Professional Clients whose re-classification application has been accepted. Not required for clients who have by definition been classified as Professional.

6.1 Appropriateness Assessment

According to MiFID II, financial instruments are classified under two categories: "complex" and "non-complex". In line with the requirements and regulations of applicable legislation, the Bank treats as <u>“non-comlex”</u> the following groups of products:

- Shares admitted to trading on a regulated market or on an equivalent third-country market or on a MTF, where those are shares in companies, and excluding shares in non-UCITS collective investment undertakings and shares that embed a derivative; (please see Section 11: Financial Instruments).
- 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.
- Bonds or other forms of securitized debt admitted to trading on a regulated market or on an equivalent third country market or on a MTF, excluding those that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved.
- Shares or units in UCITS, excluding structured UCITS
- 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.

A financial instrument which is not explicitly specified above, shall be considered as non-complex, if it satisfies the following criteria:

a) It is not considered to be a security giving the right to acquire or sell any such transferable security or giving rise to cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures;
b) there are frequent opportunities to dispose of, redeem, or otherwise realise that instrument at prices that are publicly available to market participants and that are either market prices or prices made available, or validated, by valuation systems independent of the issuer
c) it does not involve any actual or potential liability for the client that exceeds the cost of acquiring the instrument
d) it does not incorporate a clause, condition or trigger that could fundamentally alter the nature or risk of the investment or pay out profile, such as investments that incorporate a right to convert the instrument into a different investment
e) it does not include any explicit or implicit exit charges that have the effect of making the investment illiquid even though there are technically frequent opportunities to dispose of, redeem or otherwise realise it
f) adequately comprehensive information on its characteristics is publicly available and is likely to be readily understood so as to enable the average retail client to make an informed judgment as to whether to enter into a transaction in that instrument.

The following financial instruments, indicatively, are regarded as <u>“complex”</u>

- <u>Debt instruments embedding a derivative</u>

An embedded derivative should be interpreted as meaning a component of a debt instrument that causes some or all of the cash flows that otherwise would result from the instrument to be modified according to one or more defined variables.

Non exhaustive list of examples:

a) Convertible and exchangeable bonds.
b) Indexed bonds and turbo certificates.
c) Contingent convertible bonds.
d) Callable or puttable bonds.
e) Credit-linked notes.
f) Warrants.

➢ <u>Debt instruments incorporating a structure making it difficult for the client to understand the risk</u>

Debt instruments incorporating a structure making it difficult for the client to understand the risk include, inter alia, the following:

a) Debt instruments the return of which is dependent on the performance of a defined asset pool. This category includes debt instruments the return or performance of which depends on the receivables either fixed or revolving generated by the assets in the underlying pool.
<u>Examples</u>:
- Asset-backed securities and asset-backed commercial papers,
- Residential Mortgage Backed Securities (RMBS),
- Commercial Mortgage Backed Securities (CMBS).

b) Debt instruments the return of which is subordinated to the reimbursement of debt held by others. This category includes debt instruments structured in such a way that in the event of default by the issuer, the senior debt holders have priority access to the assets of the issuer over the subordinated holders.
<u>Examples</u>:
- Subordinated debt instruments.
- Certificates (as defined under Article 2(1)(27) of MiFIR).

c) Debt instruments where the issuer enjoys discretion to modify the cash flows of the instruments. This category includes debt instruments structured in such a way that the anticipated revenue stream or repayment of principal is dependent on variables set by the issuer at its discretion.

d) Debt instruments lacking a specified redemption or maturity date. This category includes debt instruments structured in such a way that there is no specified maturity date and typically therefore no re-payment of the principal amount invested.
<u>Examples:</u>

-Perpetual bonds

e) Debt instruments having an unusual or unfamiliar underlying. This category includes debt instruments structured in such a way that the anticipated revenue stream or repayment of principal is de pendent on variables which are unusual or unfamiliar for the average retail investor.
<u>Examples:</u>

- Debt instruments referencing underlying such as nonpublic benchmarks, synthetic indices, niche markets, highly technical measures (including price volatility and combination of variables

- Catastrophe bonds

f) Debt instruments with complex mechanisms to determine or calculate the return. This category includes debt instruments structured in such a way that the anticipated revenue stream may vary frequently and/or markedly at different points of time over the duration of the instrument either because certain predetermined threshold conditions are met or

because certain time-points are reached.
Examples:
- Debt instruments structured in such a way that the anticipated revenue stream may vary frequently and/or markedly at different points of time over the duration of the instrument either because certain pre-determined threshold conditions are met or because certain time-points are reached.

g) Debt instruments structured in a way that may not provide for a full repayment of the principal amount. This category includes debt instruments presenting a structure or subject to a mechanism which, in certain circumstances, trigger a partial repayment (or no repayment) of the principal.

h) Debt instruments issued by a special purpose vehicle (SPV) in circumstances in which the name of the debt instrument or the legal name of the SPV may mislead the investors as to the identity of the issuer or guarantor.

i) Debt instruments with complex guarantee mechanisms. This category includes debt instruments guaranteed by a third party and structured in a way that makes it complex for the investor to assess accurately how the guarantee mechanism affects the risk exposure of the investment.
Examples:
- Debt instruments with a guarantee mechanism where the trigger for the guarantee depends upon one or several conditions in addition to the default of the issuer.
- Debt instruments with a guarantee mechanism where the level of guarantee or the actual trigger of the guarantee are subject to time limitations.

j) Debt instruments with leverage features. This category includes debt instruments structured in such a way that the return or losses to the investor may occur at multiples to the initial investment.

➢ Structured deposits incorporating a structure making it difficult for the client to understand the risk of return

A structure making it difficult for the client to understand the risk of return exists where:

a) more than one variable affects the return received
Examples:
- Structured deposits where a basket of instruments or assets have to outperform a specified benchmark for a return to be paid.
- Structured deposits where the return is determined by the combination of two or more indices.

b) The relationship between the return and relevant variable or the mechanism to determine or calculate the return is complex.
Examples:
- structured deposits structured in a way that the mechanism under which the price level of an index is reflected in the return involves different market data points (i.e. one or more thresholds have to be met), or several index measurements at different dates.
- structured deposits structured in a way that the capital gain or interest payable step up or down in certain specific circumstances.
- structured deposits structured in a way that the anticipated revenue stream may vary frequently and/or markedly at different points of time over the duration of the instrument.

c) The variable involved in the calculation of the return is unfamiliar or unusual to the average retail investor.
Examples:

- Structured deposits where the return is linked to a niche market, an in-house index or other non-public benchmark, a synthetic index, or a highly technical measure such as asset price volatility.

d) The contract gives the credit institutions the unilateral right to terminate the agreement before maturity.

➢ <u>Structured deposits incorporating a structure making it difficult for the client to understand the cost of exiting before term</u>

A structure making it difficult for the client to understand the cost of exiting the product before term exists where:

a) An exit fee is not a fixed sum.
<u>Examples</u>:
- structured deposits having a variable or “capped” exit fee (i.e. a fee up to 300 euros is charged in case of early exit);
- structured deposits referring a variable factor such as an interest rate for the calculation of the exit fee.

b) An exit fee is not a fixed sum for each month remaining until the agreed term.

c) <u>Examples:</u>
- structured deposits having a variable or capped exit fee per month remaining until the agreed term (i.e. a fee up to 50 euro per month in case of early exit).

d) An exit fee is not a percentage of the original sum invested.
Examples:
- structured deposits having an exit fee that is at least equal to the amount of the returns accrued until the early exit date.

In the context of providing investment services (other than advisory or discretionary asset management services), MiFID II legislation requires that an Appropriateness Test is conducted before accepting a Retail Client's order that involves a complex financial instrument.

The Appropriateness Test is an assessment of the degree to which the client has the required knowledge and experience to understand the risks connected to the specific product or investment service. If the result of the Appropriateness Test is positive, the client is permitted to give the order. If not, the client is given a warning. The client may ignore this warning and proceed to give the order. A warning shall also be given if the client has not provided the information required for the check to be conducted.

If the client does not provide information about his knowledge and experience or if he provides insufficient related information, this decision on his part will not allow the Bank to assess the degree to which the investment service or investment product is compatible for him, except if the legislation allows the Bank to proceed without obtaining such information.

In order to render feasible an Appropriateness Test, the Bank must collect the necessary information for assessing the essential data concerning the client. For this purpose, an Appropriateness Questionnaire has been designed, to collect the information about the client's knowledge and experience in the field of investment and financial instruments.

When providing investment services that only consist of execution or reception and transmission of client orders, excluding the granting of credits or loans that do not comprise of existing credit limits of loans, current accounts and overdraft facilities of clients, or the set of financial instruments or/and services where the complete set shall be appropriate for the client, the Bank may provide those investment services to clients without the need to conduct an appropriateness assessment in case all the following conditions are met:

- the services relate to shares admitted to trading on a regulated market or on an equivalent third-country market or on a MTF, where those are shares in companies, money market products, bonds or other forms of securitised debt admitted to trading on a regulated market or on an equivalent third country market or on a MTF, excluding those that embed a derivative or incorporate a structure which makes it difficult for the client to understand the risk involved, shares or units in UCITS, excluding structured UCITS, 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 and other non-complex financial instruments.
- the service is provided on the initiative of the client or the potential client;
- the client has been expressly notified that in providing the specific services the Bank is not obligated to conduct an appropriateness test for the financial instrument given or the service provided, and therefore the client does not benefit from the rules connected to providing an increased level of protection and information for such instrument/service;
- the Bank applies all reasonable measures in order to identify and manage any cases of conflict of interest.

In consequence of the above, the Bank notifies Retail Clients that, concerning the services of execution or reception and transmission of orders involving non-complex financial instruments, the Appropriateness Test will not be conducted.

6.2 Suitability Assessment

Existing legislation provides that the Bank must, before providing advisory or discretionary asset management services, assess the suitability of the investment services and the financial instruments that are proposed or on which transactions are entered. The investment advisors and asset managers must ensure that all recommendations given to clients and all transactions in the context of asset management are in line with the results of the Suitability Test. In order for a recommendation or a transaction to be considered suitable, it must be examined whether the following criteria are met:

- the client has the necessary knowledge and experience to be in a position to understand the risks that the specific transaction/financial instrument entails;
- the advice or the transaction is in line with the client's investment aims, including the client's risk tolerance.
- the client has the financial capability to assume the burden of the relevant investment risks, in line always with his investment aims.

In order for the Suitability Test to be conducted, the Bank must collect from the client, via the Suitability Questionnaire it has designed, information about the three conditions above. If the client does not provide the necessary information, the Bank will not be able to offer the above services. Further, if the above criteria are not met, the above services cannot be offered.

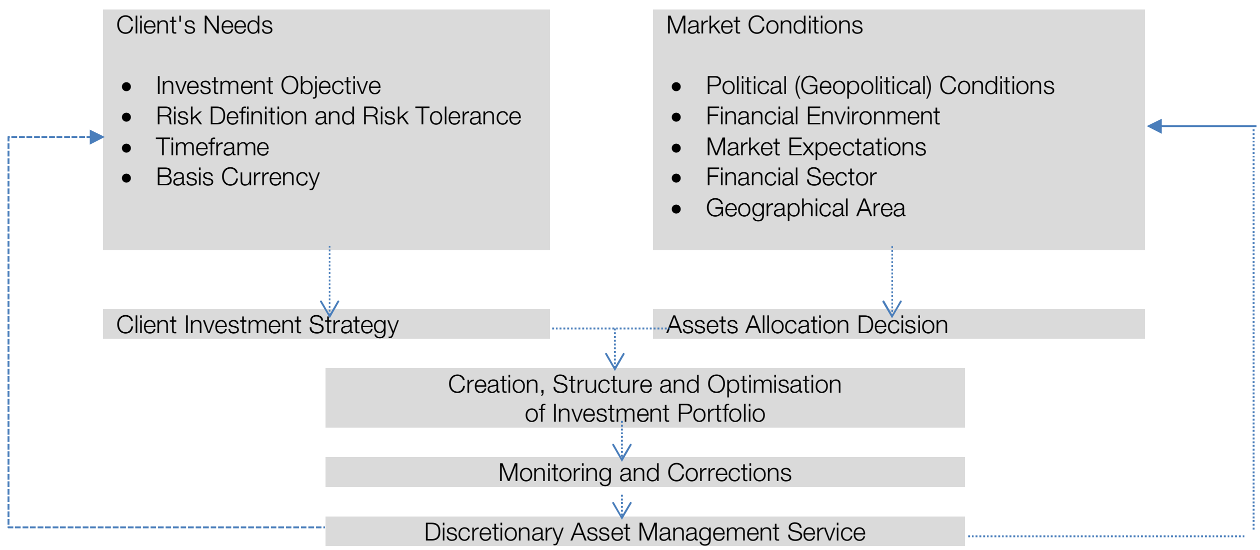
In the case of Professional Clients, the Bank considers that they possess the necessary knowledge and experience to understand the risks connected to the financial instruments or the services provided to them.

7. Discretionary Asset Management Service

Based on its experience in the Athens Exchange, the Cyprus Stock Exchange and a range of established associations it has forged with investment firms abroad, the Bank offers to its clients the service of discretionary asset management.
The asset management service consists of the management, at the Bank's discretion, of the client's portfolio including one or more financial instruments, in the context of the clients' order.

The Bank, turning to account the Suitability Test it conducts (please refer to Section 6: Suitability Assessment) ensures that each portfolio represents a specific combination of risk-yield which the client intends to assume. Asset managers manage the portfolio of each client in such a way as to ensure that their management is in line with the client's investment aims, his risk tolerance, his investment horizon, his knowledge and experience, and his financial situation. The discretionary asset management service enables the client to diversify the investment risk inherent in his investment activities, enriching his portfolio with shares, bonds, shares in mutual funds, and many other investment options.

The graph below depicts the general procedure for setting up the client's portfolio.



7.1 Description of Discretionary Asset Management Services

For the purposes of the present section, a portfolio is defined as the total of cash, financial instruments and other assets already belonging to the client, as well as any other cash, financial instruments and other assets that the Bank will acquire on behalf of the client or that the client will deliver to the Bank at a future time.

When the Bank and the client enter into a discretionary asset management agreement, the two parties agree that the Bank will undertake the management of the client's assets as per the provisions contained in the agreement. The Bank will have full control and discretionary powers on behalf of the client and the capacity of his assignee (i.e. entitled to act without referring first to the client) in order to manage his portfolio and indicatively to:

- buy, sell, retain, exchange or trade in any other manner financial instruments or other assets;
- maintain bank accounts in the name and/or on behalf of the client and effect any deposits and/or withdrawals into/from such bank accounts;
- subscribe for equity issues and offers for the purchase of financial instruments;
- issue orders and instructions concerning the disposition of the financial instruments, cash and other assets that form part of the client's portfolio;
- invest in shares of mutual fund and collective investment undertakings;

- perform transactions in foreign currency;
- enter into agreements, perform and execute all contracts that according to the Bank's judgement may be necessary or expedient or connected to each provision of the agreement;
- use derivative financial instruments in order to increase the yield or reduce the risk of the portfolio;
- perform transactions in any market, and in general, act in any other manner that the Bank deems appropriate as regards the management of the portfolio.

In addition, the Bank may, in the context of its discretionary powers, enter into the following (indicative) transactions, subject to the condition that they are in line with the replies given in the client's Suitability Questionnaire and/or that the client has consented thereto:

- transactions with financial instruments that are not traded in a regulated market or of which the public trading is not permitted in the country of the client's usual residence;
- transactions with financial instruments of limited liquidity;
- high-leverage transactions in high-risk financial instruments, especially in financial instrument derivative contracts, such as transactions in futures, options, sale agreements with repurchase clause or purchase agreements with resale clause;
- transactions involving financial instruments of which the price fluctuates sharply;
- transactions involving foreign exchange risk;
- transactions which to enter require payment of a margin, the grant of credit or the deposit of a lien.

The Bank, in the context of Regulation (EU) 2019/2088 (SFDR), discloses that is not taking into consideration sustainability factors and risks during investment decision-making in the context of the provision of portfolio management investment service, in accordance with SFDR, due to the fact that the majority of the required information, as referred to in the Regulation and the relevant regulatory framework, are not available by the respective financial instruments issuing bodies and, in any case, there is no sufficient relevant evidence on all issuing bodies.

Therefore, the Bank is not in the position to assess the importance of sustainability risks and their possible impact on the performance of the financial products that are included in the managed portfolios.

Nevertheless, it undertakes to reassess regularly its decision, in order to, when conditions permit and there is sufficient and comprehensive information, harmonize with and apply the appropriate policies.

7.2 Valuation and Return of the Portfolio

In the context of providing the service of discretionary asset management, the return of the client's portfolio will be appraised in relation to the return of a benchmark portfolio agreed in advance between the Bank and the client.

The return of the portfolio is calculated as per the method of “Time Weighted Rate of Return”. This method calculates the compound rate of increase of the portfolio's value as compared to its initial value, on the assumption that all cash receipts are reinvested in the portfolio. This methodology takes into account all cash inflows and outflows. The Time Weighted Rate of Return lends equal weight to each period. The Time Weighted Rate of Return is also known as the "Geometric Mean Return", as the reinvestment is captured by using the geometric total and mean, rather than the arithmetic total and mean.

All financial instruments contained in the portfolio are evaluated on a daily basis. The valuation of listed securities is effected as per the rules and regulations of the regulated market on which they are traded. If the financial instruments are not traded in a regulated market, their valuation is effected based on internationally accepted valuation standards. Valuations are made in the reference currency of the portfolio.

Shares in Mutual Funds are appraised at their net value, which is calculated on a daily basis and published by the respective Mutual Fund Management Firm.

7.3 Client Updates upon providing the Discretionary Asset Management Service

The Bank sends to the client, via a durable medium determined in the respective asset management agreement, periodic updates about the investment activities realised on behalf of the client. The periodic report is sent at least once every three months, provides a fair and balanced review of the activities undertaken and of the performance of the portfolio during the reporting period and shall include, where relevant, the following information:

- The name or other designation of the client's account;
- A statement of the contents and the valuation of the portfolio, including details of each financial instrument held, its market value, or fair value if market value is unavailable and the cash balance at the beginning and at the end of the reporting period, and the performance of the portfolio during the reporting period;
- The return of the portfolio during that period.
- A comparison of the portfolio's return to the return of the benchmark portfolio (reference index) agreed between the member of the Bank and the client, during the period to which the list refers.
- The total amount of fees and charges incurred during the reporting period, itemising at least total management fees and total costs associated with execution, and including, where relevant, a statement that a more detailed breakdown will be provided on request;
- The total amount of dividends, interest and other payments received during the reporting period in relation to the client's portfolio;
- Information on other corporate actions that provide rights related to financial instruments contained in the portfolio.
- The transactions (including all necessary related particulars, as provided in applicable legislation) performed in the context of the management of the client's portfolio during that period.

The periodic statement regarding the provision of the discretionary asset management service shall be provided once every three months, except in the following cases:

(a) where the Bank provides its clients with access to an online system, which qualifies as a durable medium, where up-to-date valuations of the client's portfolio can be accessed and where the client can easily access the information required at least once during the relevant quarter;

(b) cases where the client elects to receive information about executed transactions on a transaction-by-transaction basis, the periodic statement must be provided at least once every 12 months;

(c) cases where the agreement between the Bank and a client for a discretionary asset management service authorises a leveraged portfolio, the periodic statement must be provided at least once a month.

The exception provided for in point (b) shall not apply in the case of transactions in financial instruments covered by Article 4(1)(44)(c) of, or any of points 4 to 11 of Section C in Annex I to Directive 2014/65/EU.

In cases where the Bank and the client have agreed on the provision of discretionary asset management with leverage, the periodic updates will be sent at least once a month.

The Bank also provides to the client confirmations of the execution of orders regarding the transactions performed in the context of discretionary asset management. These confirmations of order executions are included in the information "package" sent to the client.

A Client is entitled to request an immediate update of the transactions realised by the asset manager. In such a case, the Bank sends to the client the respective confirmation of execution of the order at the latest on the first business day after the execution of such order, or, if the Bank receives confirmation of the execution of the order from a third party, at the latest on the first business day after receiving the confirmation of the order's execution by the third party, except if the client receives such information directly via confirmation from another entity.

When the Bank executes transactions in the context of discretionary asset management the Bank notifies the client where the overall value of the portfolio, as evaluated at the beginning of each reporting period, depreciates by 10 % and thereafter at multiples of 10 %, no later than the end of the business day in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.

The Bank provides the client on an annual basis with a periodic suitability report which contains an updated statement of how the investment meets the client’s preferences, objectives and other characteristics. The subsequent suitability reports may only cover changes in the services or instruments involved and/or the circumstances of the client and may not need to repeat all the details of the first report. Suitability reports are granted to the client in durable medium form of communication or through an online system following a prior notice to the client via email. The Bank establishes a record that includes all the suitability reports provided to the client.

8. Safekeeping of Clients' Financial Instruments and Funds

The Bank offers to its clients the ancillary service of safekeeping their financial instruments and funds. It also provides custody services along with other related services, such as clearance and cash settlement of transactions in financial instruments and corporate actions, e.g. collecting dividends and bond interest coupons, participation in new equity issues and initial public offerings, reduction in shares' nominal value, etc.

As regards financial instruments traded in the Athens Exchange and the Cyprus Stock Exchange, custody services are provided directly by the Bank. In the case of financial instruments traded outside the above markets, custody services are provided by third parties (sub-custodians). The Bank as a direct member of the Bank of Greece (T2S system) may provide directly custody services for the Greek Government bonds.

Specifically, clients' financial instruments (shares, warrants, derivatives and bonds) listed in the Athens Exchange and Cyprus Stock Exchanges are maintained in the respective Dematerialized Securities Systems in accounts in the name of each client which the Bank is handling.

In any case, clients' financial instruments are kept separately from the Bank's financial instruments.

The Bank monitors and realises on a daily basis the clearance of its clients' listed derivatives, based on their daily valuation. It also realises settlement of its clients' derivatives that are trade off-exchange (over the counter).

In addition, the Bank maintains client files and accounts in such a manner as to be able, at any moment and without delay, to separate the assets held on behalf of one client from the assets held on behalf of another client and from the assets of the Bank itself. Further, the internal accounts of the clients are monitored constantly via an account balancing procedure. The Bank takes all reasonable measures to ensure that the above principle is observed in every case.

As regards financial instruments that are traded outside the Athens Exchange and the Cyprus Stock Exchange and are kept by third parties (sub-custodians), the Bank applies the required skills, prudence and diligence upon selecting such third parties, based on the rules provided in internal procedures. The sub-custodians are monitored and assessed on a regular basis, in order to identify any deviations from the expected level of the fiduciary services.

If the safekeeping of financial instruments on behalf of another person (client) is subject to special rules and supervision in the country in which the Bank proposes that its clients' financial instruments be deposited with a third party, the Bank will not deposit the financial instruments involved with a third party in such a country if such party is not subject to such rules and supervision.

The Bank deposits clients' financial instruments with third parties that are registered in countries where there apply specific legislative frameworks regarding the safekeeping of financial instruments and funds.

The Bank does not deposit clients' financial instruments with third parties that are registered in third countries, i.e. countries outside the European Economic Area, where no rules or supervision are in place, except if at least one of the following conditions is met:

- the nature of the financial instruments or of the investment services connected to such instruments renders necessary their deposit with a third party registered in such third country;
- when the financial instruments are held on behalf of a Professional Client, and the client requests in writing from the Bank to deposit same with a third party in such third country.

As described above, the financial instruments may be held by third parties. Clients' financial instruments that are held by a third party may be held in omnibus accounts, in the name of the Bank but on behalf of the clients. The Bank takes all reasonable measures to ensure that clients' financial instruments held in such omnibus accounts are held separately from the financial instruments which belong to the third party. The Bank maintains in its systems specific files and accounts for each client, in order to be able to separate, at any moment and without delay, the clients' financial instruments that are included in collective accounts.

If the accounts in which the client's financial instruments or funds are held are subject to, or can be made subject to, a legislation or a jurisdiction other than a legislation or a jurisdiction of an EEA member-state, the client's rights concerning such financial instruments or funds may vary accordingly.

With respect to custody of clients' funds to the extent they are held in Bank, these funds are credited to individual investment accounts of clients, except for cases held in an omnibus account, where the Bank keeps records and accounts so that it is able at all times and without delay to separate the funds held on behalf of a client from the funds held on behalf of any other client. The Bank makes a daily matching of bank accounts and the respective accounts appearing on its internal computerized systems in order to avoid any errors and omissions and if, such exist, to ensure they are corrected immediately.

The Bank takes all necessary measures to ensure protection of the rights of its clients, as well as any legal and regulatory requirements or market practices associated with holding client funds which could adversely affect the clients' rights

In cases where the Bank, at the request of the client, deposits the funds to a third party, it demonstrates the necessary care and diligence in the selection, appointment and periodic review of the credit institution, bank or money market mutual fund where funds and of arrangements for the holding of such funds and takes under consideration the need for diversification of these funds as part of its diligence.

The Bank may have entered, or it may be entitled to enter, into a lien (right *in rem*) or a right of retention over the client's financial instruments or funds, or it may enjoy a right of offsetting against such instruments or funds. Whenever this is applied, a custodian may also have a right of lien, a right of retention or a right of offsetting over or against such instruments or funds.

Where security interests, liens or rights of set-off are granted by the Bank over client financial instruments or funds, or where the Bank has been informed that they are granted, they shall be recorded in client contracts and the Bank's own accounts to make the ownership status of client assets clear, such as in the event of an insolvency. Security interests, liens or rights of set-off over client financial instruments or funds enabling a third party to dispose of client's financial instruments or funds in order to recover debts that do not relate to the client or provision of services to the client are not permitted except where this is required by applicable law in a third country jurisdiction in which the client funds or financial instruments are held.

9. Use of client financial instruments

The Bank shall not enter into arrangements for securities financing transactions in respect of financial instruments held on behalf of a client, or otherwise use such financial instruments for its own account or the account of any other person or client of the Bank, unless both of the following conditions are met:
(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.

In any case, the Bank before entering into securities financing transactions in relation to financial instruments held on behalf of a client, or before otherwise using such financial instruments for its own account or the account of another client shall in good time before the use of those instruments provide the client, in a durable medium, with clear, full and accurate information on the obligations and responsibilities of the Bank firm with respect to the use of those financial instruments, including the terms for their restitution, and on the risks involved.

The Bank in order to enter into arrangements for securities financing transactions in respect of financial instruments which are held on behalf of a client in an omnibus account maintained by a third party, or otherwise use financial instruments held in such an account for its own account or for the account of any other person unless, must, in addition to the conditions set out above, meet at least one of the following conditions:
(a) each client whose financial instruments are held together in an omnibus account must have given prior express consent in accordance with point (a) of paragraph 1;
(b) the Bank must have in place systems and controls which ensure that only financial instruments belonging to clients who have given prior express consent are used.

The records of the Bank shall include details of the client on whose instructions the use of the financial instruments has been effected, as well as the number of financial instruments used belonging to each client who has given his consent, so as to enable the correct allocation of any loss.

The Bank takes appropriate measures to prevent the unauthorised use of client financial instruments for its own account or the account of any other person such as:
(a) the conclusion of agreements with clients on measures to be taken in case the client does not have enough provision on its account on the settlement date, such as borrowing of the corresponding securities on behalf of the client or unwinding the position;
(b) the close monitoring of the Bank's projected ability to deliver on the settlement date and the putting in place of remedial measures if this cannot be done; and

(c) the close monitoring and prompt requesting of undelivered securities outstanding on the settlement day and beyond.

The Bank adopts specific arrangements for all clients to ensure that the borrower of client financial instruments provides the appropriate collateral and that the firm monitors the continued appropriateness of such collateral and takes the necessary steps to maintain the balance with the value of client instruments.

When considering and documenting the appropriateness of the use of title transfer collateral arrangements, the Bank shall take into account all of the following factors:

(a) whether there is only a very weak connection between the client's obligation to the Bank and the use of title transfer collateral arrangements, including whether the likelihood of a clients' liability to the Bank is low or negligible;

(b) whether the amount of client funds or financial instruments subject to title transfer collateral arrangements far exceeds the client's obligation, or is even unlimited if the client has any obligation at all to the Bank; and

(c) whether all clients' financial instruments or funds are made subject to title transfer collateral arrangements, without consideration of what obligation each client has to the Bank.

In any case, where using title transfer collateral arrangements, the Bank shall highlight to professional clients and eligible counterparties the risks involved and the effect of any title transfer collateral arrangement on the client's financial instruments and funds.

The Bank shall not conclude title transfer financial collateral arrangements with retail clients for the purpose of securing or covering present or future, actual or contingent or prospective obligations of clients.

It is highlighted that the Bank preserves the right to agree in a restricted information in relation to the safekeeping of client financial instruments or client funds with the eligible counterparties.

10. Insurance Cover / Compensation Plan

The Bank is a member of the Hellenic Deposit and Investment Guarantee Fund (HDIGF/TEKE) in the Deposit Cover Section (Law 4370/2016, as applicable each time) and the Investment Service Guarantee Fund (Law 2533/1997, as applicable each time).

The aim of the:

- Investment Service Guarantee Fund, is to secure the claims of covered investors against its Credit Institution and Investment Service Provider members by paying compensation when its members are incapable of meeting their obligations due to their bad financial situation and there are no prospects of that situation improving in the near future.

- Hellenic Deposit and Investment Guarantee Fund (HDIGF/TEKE), Deposit Cover Section, is to pay compensation to depositors at Credit Institutions that are incapable of meeting their obligations towards them due to their bad financial situation, if there are no prospects of that situation improving in the near future.

The guarantee funds will be called upon: (a) in the context of the provision of investment services, to return to the covered investors funds owed to them or funds belonging to them, which, directly or indirectly, are being withheld by Credit Institutions or Investment Service Providers, or to deliver the financial instruments belonging to them and which the Credit Institutions or Investment Service Providers managed and held on behalf of such investors or to pay compensation up to the amount of EUR 30.000 and/or (b) to return to covered depositors of Credit Institutions their deposits up to the amount of EUR 100,000 for each covered client.

Additional information about the Insurance Cover / Compensation Plan is available in the information booklets issued by the Funds; you can obtain them from our staff or at the following websites: www.teke.gr and www.syneggiitiko.gr

11. Financial Instruments (Nature - Risks)

In the context of providing investment and related services, the Bank provides to its clients the capability to perform transactions in several categories of financial instrument. The transactions concern negotiable securities and derivatives listed in regulated markets (domestic and international) and financial instruments that are not listed in a regulated market but are traded off-exchange (Over the Counter - OTC). An outline of the main features and risks of the financial instruments in each product category is given in the section below.

Packaged retail and insurance-based investment products (PRIIPs) Prior to the provision of investment services relevant to these specific products, the Bank fulfills its obligation to inform the client by proving him/her the respective key information document (KID) which has been drawn up and published by the issuer of the financial instrument on his website in accordance with the requirements of the relevant framework . The same applies for the commissions charged. Within this context, the client shall prior to the transmission of his/her order to purchase or sell the relative products and prior to the conclusion of the transaction, read the respective document carefully as well as any other accompanying document of the relevant financial instruments and he/she shall submit to the Bank any enquiries. The Bank holds no liability for the content of this KID.

In case of transactions in packaged retail and insurance-based investment products (PRIIPs) from distance , for instance by telephone or via a computer, the Bank may not be in a position to provide the KID prior to the conclusion of the transaction. In such cases,, the Bank may according to the client's choice either postpone the transaction until the client receives the KID or immediately proceed with the transaction provided that the client agrees to receive the KID after the transaction.

The client may choose to receive the KID in writing or in durable medium or by a simple electronic or written indication by the firm on the website on which the respective KID is published.

Other financial instruments General information on the financial instruments and the services provided by the Bank are described hereof. The client shall, prior to the conclusion of the transaction, read the respective document carefully as well as any other accompanying document of the relevant financial instruments and submit any enquiries to the Bank

11.1 Money Market Securities

Money market securities (or "money market instruments") are short-term, with a duration of one year or less. This category includes government bond yields, certificates of deposit, commercial papers and other instruments with equivalent characteristics provided that the following conditions are met:

a) their value can be defined at any time
b) they are not considered to be derivatives
c) their maturity as agreed at the issuance is set up to 397 days.

Usually they do not pay interest on the invested capital but are issued at a sale price lower than their nominal value (below par) and at maturity the issuer redeems them at their nominal value (their return is equal to the difference between nominal value and initial reduced price). In rare cases, interest coupons are also given. Money Market Securities are classified based on the issuer's credit rating. Credit ratings are provided by authorized credit rating agencies, which conduct regular reports on the ability of the issuer (governments, credit institutions and firms) to meet its obligations (Please refer to section 11.2 for further information concerning credit standards).

In addition, they are further categorized according to their complexity in non-complex and complex securities. Complex securities are considered to be those embedding a derivative (for further information please refer to section 6.1. Appropriateness assessment).

Who should invest in money market securities:

Money Market Securities are compatible with all investor categories according to MiFID II (retail, professional, eligible counterparties) regardless of their knowledge and experience, whereas they are specifically addressed to investors with a short term investment profile who, depending on the credit standard of the security, aim at a higher or lower return. Securities that carry a high credit rating quality are easily liquidized.

Money market securities are not disposed to investors wishing a full capital protection or clients who do not wish to undertake risk or those who wish a fully guaranteed income or return.

Indicatively, money market securities include the following:

- ✓ Treasury Bills / Government Notes: Short-term money market securities (with a duration of one year or less) that are usually issued by the central banks of states and carry a government guarantee (e.g. interest-bearing bonds of the Greek Govt., US T-Bills). They do not pay interest on the invested capital but are issued at a price lower than their nominal value, thus offering a positive return at maturity.
- ✓ Certificates of Deposits: Certificates of Deposits are money market securities, usually issued by commercial banks and having a predetermined end-date, ranging from one month to five years. Certificates of deposits usually pay a fixed interest rate and are designed to be held by investors up to their maturity, whereupon the invested capital is returned along with accrued interest.
- ✓ Commercial Papers: Securities issued by private businesses at their nominal value or at a value lower than nominal value (at par or below par) towards financing their needs for working capital; maturity is usually at one year. Commercial papers are transferable and negotiable in the secondary market. Usually, the issuers of these instruments are large corporations with high credit ratings.
- ✓ Bankers' Acceptance Notes: Short-term money market instruments issued by large corporations. Repayment of both the initially invested capital and interest is guaranteed by a banking institution.
- ✓ Repos & Reverse Repos: Repurchase agreements equivalent to term deposits, for which the collateral is securities with high credit rating, but also securities of lower rating, following a concurring opinion by the Credit Committee (bonds).

Investment Risks

- ✓ Possibility of losing part or all of the invested capital if the issuer proves incapable of meeting, in whole or in part, its obligations at the maturity date of the security.
- ✓ Risk of illiquidity in case of securities that carry a low credit quality .

11.2 Bonds, Other Fixed-Income Securities

Bonds are securities having the following features:

- ✓ the issuer (borrower) is under the obligation to repay the capital it has borrowed on a predetermined date (maturity date of the bond);
- ✓ the issuer is under the obligation to pay, on predetermined dates, interest to the creditor in the form of interest coupons, on the basis of a predetermined interest rate.

Usually, bonds are transferable securities and are the object of trading, mainly in the secondary inter-bank market but also in other regulated markets.

The holder of a bond can expect to obtain both the return derived from the interest coupon and the possibility of surplus value due to a rise in the price of the bond in the markets in which the security is traded.

The main features of bonds are:

- ✓ Nominal Value: The amount or the capital that the issuer must repay to the holder of the security upon maturity. Nominal value is also the basis on which interest is calculated.
- ✓ Price: The price of the bond is determined based on 100 basis points, or alternatively as a percentage of nominal value. When the price of the bond is higher than 100, then the bond is traded "above par" (at premium). When the price of the bond is lower than 100, then the bond is traded at a discount. According to the above, the price may refer to:
  - Issue Price: The initial price at which the bond is made available to the primary market on the date of its issue.
  - Bid Price: The price offered by buyers of the security in the secondary market, at which the investor can sell the bond.
  - Offer Price: The price offered by sellers of the security in the secondary market, at which the investor can buy the bond.
  - Redemption Price: The redemption price of the bond upon maturity, determined upon the issue of the bond.
- ✓ Issue Date: The date on which the bond is issued.
- ✓ Maturity Date: The maturity date of the bond.
- ✓ Interest Rate / Coupon: The interest rate based on which the periodic payment of interest (coupon) is calculated. It is expressed on an annual basis as a percentage of the bond's nominal value. Usually, a bond makes payments (coupons) each month, quarter, six months or year, and the coupon may be fixed or variable.
- ✓ Accrued Interest: The interest owed by the issuer and accrued between the date of the last payment of the interest coupon and the date on which the security is traded.
- ✓ Yield to Maturity: The return of the bond if it is held until maturity; expressed as a percentage of the capital invested.
- ✓ Interest rate margin: It is a central feature of floating rate bonds (see below): The interest rate margin is the difference (margin / spread) between the security's interest rate and the benchmark rate for that security. For example, if a floating rate bond offers an interest coupon of LIBOR + 3%, then +3% is the interest rate margin of the bond. The interest rate margin may also refer to basis points (where 100 basis points are equal to 1%).
- ✓ Seniority: The priority in which the claims of the holders of the securities will be covered in the event of a capital restructuring or liquidation of the issuer's assets. In terms of security grade therefore, bonds and other fixed-income securities are divided into:
  - Preferred bonds (senior bonds)
  - Hybrids of reduced security (Tier 2 Capital) or low security (Tier 1 Capital)
- ✓ Credit Rating: The rating of a bond according to the credit risk it involves. The rating of the bond is linked to the credit rating of the issuer. Credit ratings are generated by approved credit rating agencies, which conduct regular analysis concerning the ability of the issuer (governments, financial institutions and corporations) to meet its debt obligations. In view of the great variety of fixed-income securities (e.g. short-term or long-term, high or reduced security, etc.), it is possible that different issues of bonds and other securities by the same

issuer are given different credit ratings. The three best-known credit rating agencies active on the international level apply the following grades:

- Standard & Poor's and Fitch:
  - Long-term credit rating: 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 credit rating: F1+, F1, F1-, F2, F3, B, C, D.

- Moody’s Investors Service:
  - Long-term credit rating: Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1, Baa2, Baa3, Ba1, Ba2, Ba3, B1, B2, B3, Caa1, Caa2, Caa3, Ca, C.
  - Short-term credit rating: P-1, P-2, P-3, NP.

Rating		*S&P*	*Moody's*	*Fitch*
Highest		*AAA*	*Aaa*	*AAA*
High	Acceptable Risk Level (Investment Grade)	*AA+,AA,AA-*	*Aa1,Aa2,Aa3*	*AA+,AA,AA-*
Good		*A+,A,A-*	*A1,A2,A3*	*A+,A,A-*
Average		*BBB+,BBB,BBB-*	*Baa1,Baa2,Baa3,Baa4*	*BBB+,BBB,BBB-*
Low	High Risk (High Yield/Junk Bonds)	*BB+,BB,BB-*	*Ba1,Ba2,Ba3*	*BB+,BB,BB-*
Very Low		*B+,B,B-*	*B1,B2,B3*	*B+,B,B-*
Extremely Low		*CCC+,CCC,CCC-,CC,C*	*Caa1,Caa2,Caa3*	*CCC,CC,C*
Default		*D*	*Ca*	*RD,D*

Depending on the issuer, bonds are distinguished into the following categories:

- ✓ Government Bonds: Bonds issued by national governments or the respective national debt management authorities (e.g. the Greek Government, the US Government).
- ✓ Supranational Bonds: Bonds issued by supranational organisations (e.g. the European Investment Bank).
- ✓ Municipal Bonds: Bonds issued by local government authorities (e.g. Municipalities).
- ✓ Corporate Bonds: Bonds issued by credit institutions and corporations.

Depending on the interest rate coupon they pay, the main types of bond are the following:

- ✓ Zero-Coupon Bonds: The bonds are issued below par and make no intermediate payments of interest coupons, but only redeem the nominal value of the bond at maturity. The return of the bond arises from the difference between its nominal value and the capital invested originally.

- ✓ Fixed Coupon Bonds: These bonds pay a fixed interest coupon, which is determined at the time of their issue, at predetermined points in time (e.g. each month, quarter, six months or year) up to maturity.

- ✓ Floating Rate Bonds: Floating rate bonds pay interest coupon at a rate that varies periodically based on the benchmark rate (e.g. Euribor, Libor, etc.). The bond's interest rate margin may be added to or deducted from the benchmark rate (e.g. 3M Euribor +0.5% or 3M Euribor -0.10%. The interest coupon is adjusted in each period of compounding of interest and depends on the fluctuation of the benchmark rate. If on the date of adjustment of the rate the benchmark rate has declined as compared to the preceding date of interest coupon payment, then the current interest coupon will be reduced accordingly, and vice-versa.

- ✓ Inflation–protected Bonds/Notes. In this category of bonds, the interest coupons are linked to the Consumer Price Index, so providing protection in the event of a future rise in inflation.

- ✓ Callable Bonds: These bonds entitle the issuer to recall them on specific future dates, i.e. redeem them before maturity. For example, if interest rates decline sharply as compared to the interest coupon of the bonds, the issuer can exercise this right to "call" on a specific date and at a specific price, determined in advance upon the issue of the bond.
- ✓ Perpetual Bonds: The main feature of these bonds is that they have no specific maturity date. They make payments whether of fixed interest coupons or floating rate interest coupons. In most cases, the bonds incorporate a right of redemption/recall (call option), which entitles the issuer to recall them at a future point in time and at a predetermined price.
- ✓ Puttable Bonds: A bond of this type entitles its holder to demand from the issuer premature discharge at a predetermined price. For example, if interest rates rise sharply as compared to the interest coupon of the bonds, the bond holder can exercise the right to sell on a date and at the price determined in advance upon the issue of the bond.
- ✓ Sinkable Bonds: A bond of this type entitles the issuer to repay it gradually, at predetermined prices and on predetermined dates.
- ✓ Convertible Bonds: Convertible bonds entitle the investor to convert them into other securities of the same issuer, usually shares. The right of conversion can be exercised on specific future dates and the ratio of conversion between the bond and the underlying security is set according to predetermined processes.
- ✓ Structured/Complex Bonds: Bonds of which the yield and/or repayment of the initial capital at maturity are not predetermined, but depend on specific underlying securities, indices or other factors (please refer to the section on Structured/Complex Products).
- ✓ Hybrid Notes: Securities that combine the features of two or more financial instruments, mainly debt and shares. Usually they have no maturity date or the maturity date is far in the future, and they incorporate their issuer's right to recall (as also applies to perpetual bonds). In many cases they pay interest/dividend at regular intervals, but their issuer can postpone or even omit some of these payments (as in the case of preferred stock).

Depending on complexity, bonds are distinguished in complex and non-complex bonds:

Examples of non-complex bonds:

- ✓ Zero-Coupon Bonds (see above)
- ✓ Fixed Coupon Bonds (see above)
- ✓ Floating Rate Bonds (see above)

Examples of complex bonds embedding a derivative:

- ✓ callable bonds
- ✓ puttable bonds
- ✓ convertible bonds
- ✓ warrants
- ✓ indexed bonds (described in further detail below) and turbo certificates
- ✓ credit linked notes.

For more information about complex financial instruments please refer to section 6.1 ”Appropriateness assessment”.

Remarks on investments in bonds

1. There is a negative ratio between price and yield at maturity. This means that when the price of a bond rises the yield at maturity declines and vice-versa.
2. If the investor sells the fixed-income products he holds before maturity, he may lose part of the yield or even of the capital invested originally. This is due to the fact that for the

valuation of bonds in secondary market various factors are taken into consideration such as the current interest rates, the remaining period to maturity, any dividends, the relevant exchange rates, the price of shares (regarding convertible bonds) the price of the underlying assets (regarding bonds embedding derivatives) etc. Consequently, prior to the agreed maturity, the purchase price and the sale price are likely to be significantly lower than the face value.

3. The prices of structured bonds are affected considerably by the prices of the underlying securities, a fact which can lead to severe losses of the invested capital when there is no guarantee of repayment of the initial capital in place.
4. As far as the instruments of the present category are concerned, please advise section 12.1 “Financial instruments subject to the resolution regime under L.4335/2015 (Directive 2014/59/EE”)

Investment Risks

The main risks deriving from investments in bonds are the following:

- ✓ Insolvency Risk: The issuer may, whether temporarily or permanently, be incapable of meeting its obligations, i.e. it may not be able to repay either the invested capital and/or the periodic interest coupon payments. The solvency of an issuer can change due to several reasons, including reasons pertaining to the sector of the economy and/or of the country in which the issuer is active, to the financial system overall, and to economic and political conditions applying at a given moment. A deterioration in the issuer's financial situation impacts directly the price of the securities it has issued.
- ✓ Credit Risk: Bond holders are exposed to the risk of the issuer's credit risk. The issuer's credit rating reflects the objective opinion of external credit rating agencies regarding the probability of payment of both the originally invested capital and the periodic disbursements. A credit rating is not a guarantee of the issuer's solvency and does not take into account other, external risks, e.g. changes in market conditions. Note that the price of a bond will fall if the issuer fails to meet its obligations or its credit rating is downgraded.
- ✓ Market Risk: The risk connected to fluctuations in bond prices, mainly as a result of changes in interest and inflation rates. Generally, when interest rates rise, the prices of bonds - especially of those that pay a fixed interest coupon- tend to decline. Additionally, the longer the duration of the bonds, the greater the impact on their price of changes in interest rates.
- ✓ Liquidity Risk: The risk for the holder/investor that his bond will be sold at a price lower than its fair value, due to lack of sufficient marketability in the markets in which it is traded.
- ✓ Premature Redemption Risk: The exercise by the issuer of the right to redeem the bonds prematurely may result in a change in the expected return for the investor and render unfeasible the reinvestment of the funds in products with similar yields.
- ✓ Political risk: The satisfaction of the issuer's obligations may also be affected by economic and political developments that may occur in the countries in which the issuer is active. Such events can lead to severe losses, even of the entire capital invested.
- ✓ Risks related to specific types of bonds: Additional risks may be connected to the specific features of each instrument separately. There are specific classes of bonds for which it is necessary to examine in detail all the risks stated in the terms of their issue, and in which investment should be avoided before understanding fully all the risks involved. Indicatively, we refer here to the case of investing in hybrid securities, where the investor must know that this specific category of securities provides reduced security and that the claims of holders of hybrid securities are subordinate to the claims of holders of senior bonds and other creditors. Similarly, in structured securities and structured notes, the investor must take into account the additional risks inherent in using derivatives and leverage, which are usually a feature of such securities. In addition, these products may involve a higher-than-normal

marketability risk, since the size of the issue may be small and their pricing difficult to determine.

Depiction of risks by type of Bonds

Summary Table of Risks in Fixed Income Securities				
Based on type of interest rate	Default Risk	Credit risk	Interest rate risk	Market risk
Fixed rate	Not related	Not related	Yes. Depends on time to maturity.	Yes. Depends on time to maturity.
Floating rate	Not related	Not related	No	Medium
Zero Coupon	Not related	Not related	Yes. Depends on time to maturity.	Yes. Depends on time to maturity.
Variable	Not related	Not related	Yes. Depends on how the interest rate is calculated.	Yes. Depends on how the interest rate is calculated.
Based on credit rating				
High Grade - AAA	Minimal	Minimal	Yes. Depends on type of interest rate and time to maturity.	Yes. Depends on type of interest rate and time to maturity.
Investment Grade	Medium	Medium	Yes. Depends on type of interest rate and time to maturity.	Yes. Depends on type of interest rate and time to maturity.
High Yield / Junk	High	High	Yes. Depends on type of interest rate and time to maturity.	Yes. Depends on type of interest rate and time to maturity.
Based on level of security				
Senior Bonds	Yes. Depends on the Issuer's credit rating.	Yes. Depends on the Issuer's credit rating.	Yes. Depends on type of interest rate and time to maturity.	Yes. Depends on type of interest rate and time to maturity.
Hybrid Securities Tier 2	Yes. Depends on the Issuer's credit rating.	Yes. Depends on the Issuer's credit rating.	Yes. Depends on type of interest rate and time to maturity.	Yes. Depends on type of interest rate and time to maturity.

Hybrid Securities Tier 1	Yes. Depends on the Issuer's credit rating.	Yes. Depends on the Issuer's credit rating.	Yes. Depends on type of interest rate and time to maturity.	Yes. Depends on type of interest rate and time to maturity.
Based on special features				
Callable	Not related	Not related	Yes. Depends on type of interest rate and time to maturity.	Yes. Depends on type of interest rate and time to maturity.
Puttable	Not related	Not related	Yes. Depends on type of interest rate, and time to premature redemption and final maturity.	Yes. Depends on type of interest rate, and time to premature redemption and final maturity.
Sinkable	Not related	Not related	Yes. Depends on type of interest rate, rate of redemption and time to maturity.	Yes. Depends on type of interest rate, rate of redemption and time to maturity.

Indicative Examples

Example 1			**Example 2**	
BOND TYPE	FIXED-RATE		BOND TYPE	FIXED-RATE
ISSUER INDICATIVE CREDIT RATING	A+		ISSUER [INDICATIVE CREDIT RATING]	A+
TYPE OF COUPON	FIXED		TYPE OF COUPON	FIXED
COUPON	3.00%		COUPON	3.00%
MATURITY	14/09/2020		MATURITY	14/09/2020
DATE OF TRANSACTION	14/09/2015		DATE OF ISSUANCE / TRANSACTION	14/09/2015
TRANSACTION'S NOMINAL VALUE	100,000		TRANSACTION'S NOMINAL VALUE	100,000
PRICE	100		PRICE	100
VALUE OF TRANSACTION	100,000		VALUE OF TRANSACTION	100,000
ANNUALIZED YIELD TO MATURITY	3.00%		ANNUALIZED YIELD TO MATURITY	3.00%
NEGATIVE EVENT	INTEREST RATE INCREASE BY 1%		POSITIVE EVENT	INTEREST RATE DECREASE BY 1%
DATE OF EVENT	14/10/2015		DATE OF EVENT	14/10/2015
NEW ANNUALIZED YIELD TO MATURITY	4.00%		NEW ANNUALIZED YIELD TO MATURITY	2.00%
NEW PRICE	95.61		NEW PRICE	104.64
NEW BOND'S VALUE	95,611		NEW BOND'S VALUE	104,639
DECREASE OF CURRENT VALUE	-4,389		INCREASE OF CURRENT VALUE	4,639

Example 3			**Example 4**	
BOND TYPE	FIXED-RATE		BOND TYPE	FIXED-RATE
ISSUER INDICATIVE CREDIT RATING	A+		ISSUER [INDICATIVE CREDIT RATING]	A+
TYPE OF COUPON	FIXED		TYPE OF COUPON	FIXED
COUPON	3.00%		COUPON	3.00%
MATURITY	14/09/2020		MATURITY	14/09/2020
DATE OF TRANSACTION	14/09/2015		DATE OF TRANSACTION	14/09/2015

TRANSACTION'S NOMINAL VALUE	100,000		TRANSACTION'S NOMINAL VALUE	100,000
PRICE	100		PRICE	100
VALUE OF TRANSACTION	100,000		VALUE OF TRANSACTION	100,000
ANNUALIZED YIELD TO MATURITY	3.00%		ANNUALIZED YIELD TO MATURITY	3.00%
NEGATIVE EVENT	ISSUER CREDIT RATING		POSITIVE EVENT	ISSUER CREDIT RATING
ISSUER NEW CREDIT RATING	BBB+		ISSUER NEW CREDIT RATING	AA+
DATE OF EVENT	14/10/2015		DATE OF EVENT	14/10/2015
AT MATURITY (+1.5%)	4.50%		AT MATURITY (-1.5%)	1.50%
NEW PRICE	93.51		NEW PRICE	107.06
NEW BOND'S VALUE	93,508		NEW BOND'S VALUE	107,060
DECREASE OF CURRENT VALUE	-6,492		INCREASE OF CURRENT VALUE	7,060

Example 5 *			**Example 6 ***	
BOND TYPE	STRUCTURED - REVERSE		BOND TYPE	STRUCTURED - REVERSE
ISSUER INDICATIVE CREDIT RATING	A+		ISSUER [INDICATIVE CREDIT RATING]	A+
UNDERLYING ASSET	DEUTSCHE BANK AG STOCK		UNDERLYING ASSET	DEUTSCHE BANK AG STOCK
TYPE OF COUPON	FIXED		TYPE OF COUPON	FIXED
COUPON	3.00%		COUPON	3.00%
MATURITY	24/09/2016		MATURITY	24/09/2016
DATE OF ISSUE AND PURCHASE	24/09/2015		DATE OF ISSUE AND PURCHASE	24/09/2015
CURRENT PRICE OF UNDERLYING ASSET	25.00		CURRENT PRICE OF UNDERLYING ASSET	25.00
CONVERSION PRICE OF UNDERLYING ASSET	25.00		CONVERSION PRICE OF UNDERLYING ASSET	25.00
EXERCISE PRICE (70% OF CURRENT)	17.50		EXERCISE PRICE (70% OF CURRENT)	17.50
TRANSACTION'S NOMINAL VALUE	100,000		TRANSACTION'S NOMINAL VALUE	100,000
PRICE	97.4		PRICE	97.4
VALUE OF TRANSACTION	97,400		VALUE OF TRANSACTION	97,400
ANNUALIZED YIELD TO MATURITY	5.74%		ANNUALIZED YIELD TO MATURITY	5.74%
NEGATIVE EVENT 1	PRICE DECREASE OF UNDERLYING [ASSET]		POSITIVE EVENT 1	PRICE INCREASE OF UNDERLYING ASSET
NEW PRICE OF UNDERLYING ASSET	20.00		NEW PRICE OF UNDERLYING ASSET	30.00
DATE OF EVENT	24/10/2015		DATE OF EVENT	24/10/2015
NEW INDICATIVE PRICE	94.00		NEW INDICATIVE PRICE	98.60
NEW INDICATIVE YIELD TO MATURITY	10.09%		NEW INDICATIVE YIELD TO MATURITY	4.57%
NEW BOND'S VALUE	94,000		NEW BOND'S VALUE	98,600
DECREASE OF CURRENT VALUE	-3,400		INCREASE OF CURRENT VALUE	1,200
NEGATIVE EVENT 2	CONVERSION OF BOND'S NOMINAL VALUE TO STOCKS		POSITIVE EVENT 2	MATURITY WITHOUT CONVERSION OF BOND'S NOMINAL [VALUE TO STOCKS]
DATE OF EVENT	24/09/2016		DATE OF EVENT	24/09/2016
CURRENT PRICE OF UNDERLYING ASSET (LOWER THAN EXERCISE PRICE)	16.00		CURRENT PRICE OF UNDERLYING ASSET (HIGHER THAN EXERCISE PRICE)	21.00
NUMBER OF STOCKS	4,000.00		ANNUALIZED YIELD TO MATURITY	5.74%
VALUE OF STOCKS	64,000.00			
LOSS	-33,400.00			
* IF ON BOND'S MATURITY THE PRICE OF THE UNDERLYING ASSET IS LOWER THAN EXERCISE PRICE, THE NOMINAL VALUE OF THE BOND IS CONVERTED TO			* IF ON BOND'S MATURITY THE PRICE OF THE UNDERLYING ASSET IS LOWER THAN EXERCISE PRICE, THE NOMINAL VALUE OF THE BOND IS CONVERTED TO	

STOCKS VALUED AT 25 EUR PER [SHARE]			[STOCKS VALUED AT 25 EUR PER SThare]	

Who should invest in bonds

Bonds are compatible with all investor categories according to MiFID II (retail, professional, eligible counterparties) whereas, depending on their classification as complex or non-complex and their credit quality, they are addressed to investors with a different level of knowledge and experience as well as various investment goals.

Non-complex bonds that carry a high credit quality (higher or equivalent to BBB-) are addressed to investors:

- ✓ Regardless of their knowledge or experience
- ✓ Who have a mid -term investment profile (longer than a year)
- ✓ Who aim to a guaranteed income.

These bonds are easily liquidized and not disposed to clients who wish to fully safeguard their investment capital or do not intend to suffer any capital losses.

Non-complex bonds that carry a low credit quality (lower or equivalent to BB+) are addressed to investors:

- ✓ Regardless of their knowledge or experience
- ✓ Who have a mid term investment profile
- ✓ Who aim at high returns
- ✓ Who are willing to undertake the risk of illiquidity

These bonds are not disposed to investors excepting a full capital protection or do not intend to suffer any capital losses or wish a fully guaranteed income or return.

Complex bonds that carry a high credit quality (higher or equivalent to BBB-) which embed a derivative which is likely to cause certain capital losses are addressed to investors:

- ✓ Having basic knowledge and experience in complex financial instruments for over a year or/and for over 3 transactions concluded within the past year.
- ✓ Who have a mid or long term investment outlook
- ✓ Who aim to a guaranteed income

The bonds of this category are easily liquidised.

These bonds are not disposed to investors excepting a full capital protection or do not intend to suffer any capital losses.

Complex bond that carry a low credit quality (lower or equivalent to BB+) which are likely incur a limited or extended capital loss are addressed to investors:

- ✓ Having basic knowledge and experience in complex financial instruments for over a year or/and for over 3 transactions concluded within the past year.
- ✓ Who have a mid or long term investment profile
- ✓ Who aim at high returns
- ✓ Who are willing to undertake the risk of illiquidity

These bonds are not disposed to investors wishing a full capital protection or do not intend to suffer any capital losses or wish a fully guaranteed income or return.

In any case, it is recommended to the investor, prior to conducting any transaction in bonds, to:

a) Study the annual financial report or, where applicable, the semi-annual financial reports and the quarterly financial reports which are published by the issuer in compliance with its obligation to provide periodic information to investors as well as the relevant prospectus, if any, that has been issued for the bond in which the investor intends to invest, or even the credit risk assessment of the government/ issuer and

b) Examine any publications/announcements made by the issuer in order to inform the investors , published mainly on the website of the stock exchange in which the issuer's shares are traded in or on the issuer's website.

11.3 Listed Shares

Shares are ownership shares in an enterprise. The capital of a business organised as an incorporated company ("société anonyme"), is divided into shares, which are either common shares or preferred shares.

- Common Shares: The most usual form of a share title. It incorporates several rights, such as the right to vote at General Meetings of the company and the right to participate in the profits of the company by collecting dividend, if dividend is distributed.
- Preferred Shares: Preferred shares differ from common shares in that the former do not incorporate the right to vote at General Meetings of the shareholders; however, under certain circumstances preferred shareholders enjoy the special privilege of receiving a specific level of payment in dividends before each distribution of dividend to common shareholders, as per the special provisions in the company's by-laws. In the event of bankruptcy of the issuer of the shares, and after all other creditors of the company have been paid, the holders of preferred shares will be compensated before the common shareholders. Further, preferred shares may be convertible, i.e. they incorporate the right of the holder to convert the preferred shares into a specified number of common shares, usually within a specified period, as per the by-laws of the company.

In addition, the shareholders may benefit from a potential positive change in the price of the shares in the regulated markets in which they are traded.

The share may be a bearer or a nominal share and is incorporated in certificates representing one or more shares. The regulatory framework may require that shares in specific types of corporations, such as banks, insurance firms and telecommunications companies, be nominal (personally registered).

The most common classification of listed companies is based on their capitalisation (in the simple case of a company listed and traded in a regulated market, capitalisation is defined as the product of the share's trading price multiplied by the total number of existing shares). In general, the higher a company's capitalisation, the greater the liquidity of its shares. However, there are several cases where lower-capitalisation shares may enjoy higher liquidity than shares of companies with higher capitalisation.

Listed shares may also be classified according to the sector in which their issuers are active, such as Banks, Telecommunications, Information Technology, Food and Beverages, Energy, Construction, etc. In regulated markets, there are indices reflecting the performance of the respective markets. Indicatively, shares listed in the Athens Stock Exchange, classified under one of the above sectors and enjoying high liquidity, participate in several indices, such as the FTSE 20 index for High-cap companies (Blue Chips), the FTSE 40 index for Mid-caps and the FTSE 80 index for Small-caps.

The share of a High-cap company will probably display lower price volatility than that of a Mid- or Small-cap company. Similarly, shares listed in indices are more likely to display lower price volatility compared to those of companies of the same capitalisation that are not listed in indices. Further, based on historical data, Blue Chips of high marketability, such as the shares listed in the Dow Jones index of the New York Exchange, display lower price volatility than shares of listed companies in emerging markets.

Portfolio Investment Companies are a separate category of shares. Companies in this category are constituted of a specific ("closed") number of shares (closed-end funds) and are traded in regulated markets. The price of such shares moves similarly to that of other listed shares and is determined by demand and supply. Consequently, they may be traded over or below their net value.

At General Meetings, shareholders in listed companies approve the business actions decided by the management of the company. These actions are realised only after the approval of the Regulatory Authority of the regulated market in which the shares are listed. Typical cases of such business actions are the following:

- Payment of Dividends: Formed from the part of the profits that is distributed to the shareholders.
- New Equity Issue by Issue Rights: Raising new equity via the issue of rights is a special form of self-offer or self-subscription. The rights of this issue grant to shareholders the right to buy a set number of new shares from the company at a set price within a set timeframe.
- New Equity Issue without Issue Rights: The existing shareholders waive the right to participate (advantage of right) in a new equity issue, in favour of participation by workers of the company or institutional/strategic investors.
- *Gratis* Share Distribution: Distribution of new shares to the shareholders of the company as a means of capitalising reserves.
- Stock Split: A stock split reduces the value of each share but concurrently increases the number of shares by the same ratio. Therefore, it does not add to equity, but can improve the liquidity of very expensive shares.
- Reverse Stock Split: The reverse of a split. Increases the price of the shares and reduces the number of shares by the same ratio.
- Reduction of Capital: A reduction of the capital includes a reduction in the nominal value of the shares, concurrently attributing an equal amount of capital to existing shareholders or utilising that capital to write-off losses.
- Mergers: A merger is the unification of two companies into a larger company. Mergers are usually voluntary and feature stock swap or cash payment to the target company. Stock swaps are used often, since they enable the shareholders of the two companies to share the risk involved in the agreement. A merger may often appear similar to an acquisition, but the result is a new corporate appellation and a new logo.
- Change in the shares' nominal value: Can be either an increase or a decline of the nominal value of the shares. There are many reasons that can lead to such a decision, such as a need to raise/reduce the company's share capital, capitalisation of the company's reserves, capitalisation of the company's capital gains, etc.

Developed international regulated markets also allow investors to sell shares that they do not have in their possession. For such a transaction to be completed, the investor must have borrowed the shares he sold before the day on which the sale is cleared. The investor, upon delivering the shares he had borrowed, must buy the shares again in order to return them to the lender. This process is called short selling and generates a profit for the investor if the price of the share has declined at the time when he buys the shares again, i.e. when the open negative (short) position is closed.

Short selling is widely used in the context of speculative investments, when the investor expects that share prices will fall, but can also be used for risk hedging and arbitrage.

In the Greek regulated market, share lending may be effected either directly between investors as a bilateral off-exchange transaction or via two standardised products that are traded in the derivatives market of the Athens Exchange (ATHEX). With the share repurchase product, the investor who has in his possession shares of a specific company can lend his shares to the ATHEX. These shares are placed in a "pool" from which other investors borrow shares using the "share repurchase" product. Borrowers pay an interest rate to the ATHEX during the borrowing period and the ATHEX distributes the income from interest among all lenders of the respective share pool.

Initial Public Offering (IPO)

A main pre-requisite for the official admission of a company in a regulated market is that the shares of the company are distributed among a minimum number of investors. To meet this condition, candidate companies assign to underwriters, banks or investment firms, the process of the initial public offering of a set amount of their shares to institutional and private investors. The terms of the IPO (number of shares to be listed, number of shares offered in the IPO, maximum number of shares that investors can apply for, range of share price, etc.) are described in the prospectus for the IPO, which is approved by the regulatory authorities.

Opening Price, Closing Price and Volatility Interrupters

Most international stock markets observe a specific methodology to determine opening and closing process.

Indicatively, at the Athens Exchange the opening price of a share is the price at which the first transaction is made or the price ensuing from the opening bids. If no transaction was entered concerning the specific share, no opening price is set.

However, the determination of the closing price depends on the type of share. For example, the closing price of a share that is traded by the method of continuous automatic matching and belongs to the high-capitalisation category, arises from a procedure of bids that are made after the regular trading session has been completed. If no transaction is entered during the trading day, the closing price will be the same as the closing price of the preceding day.

Further, many international stock exchanges apply a special control mechanism in order to restrict the volatility of share prices within set limits. If the price of a share rises/falls more than a predetermined limit during the trading session, the Volatility Interrupter is activated and alters the procedure for trading the specific share.

The volatility interrupter mechanism was developed in order to limit any extreme volatility of listed share prices. The application of the mechanism ensures that investors receive sufficient information about market movements, and thus contributes to strengthening the protection of investors.

Investment Risks

Investments in shares are likely to be subject to the following risks: market risk, liquidity risk, issuer risk, exchange risk, systemic and non-systemic risk.

More particularly, as a shareholder in a societe anonyme, the investor undertakes the non-systemic risk that derives from every investment, especially in cases where the financial assets or/and liabilities of the issuer begin to deteriorate. Short term investments in general carry a higher market risk. The investment in shares traded on exchanges of developing countries may also carry legal risks, political risks and risks related to the country in general.

Furthermore the investment in shares that are not traded on a regulated market carry settlement and counterparty risk.

- ✓ Volatility risk: the price of a share admitted to trading in a regulated market and MTF is subject to unforeseen fluctuations which are not necessarily causally linked to the financial performance of the issuer. Therefore, there occurs the risk of losing part or -under certain conditions - total invested capital. It is underlined that under no circumstances is it feasible to predict the upward or downward performance of the market value of a share neither the duration of such performance. It is particularly underlined that the performance of the market value of a share is a combination of various factors and does not solely depend on the company’s financial statements, for instance as they are depicted based on the principal of the fundamental analysis.

Investors must take into account the general investment risks described above. In particular, and as compared to investments in shares, the leverage risk must be taken into account, and special attention must be given to commission and other charges, since the bank that provides credit charges the respective interest thereon.

Investments in shares do not provide guaranteed returns, since a part of or even the total the invested capital is likely to suffer losses.

Regarding the instruments of the relevant category please refer to section 12.1 "Financial instruments subject to the resolution regime of L.4335/2015 (Directive 2014/59/EU") in addition.

<u>Who should invest in shares:</u>
Shares are compatible with all investor categories according to MiFID II (retail, professional, eligible counterparties) regardless of their knowledge, experience and investment profile, whereas shares are particularly addressed to investors who aim at high return and focus on the goodwill of their investment.

Shares are easily liquidized.

Shares are not disposed to investors that wish a full capital protection or do not intend to suffer any capital losses or wish a fully guaranteed income or return.

In any case, it is recommended to the investor, prior to conducting any transaction in shares, to:

a) Study the annual financial report or, where applicable, the semi-annual financial reports and the quarterly financial reports which are published by the issuer in compliance with its obligations to provide periodic information to the investors and
b) Examine any publications/announcements made by the issuer in order to inform the public, mainly published on the website of the stock exchange in which the issuer's shares are traded on or on the issuer's website.

11.4 Mutual Funds

The mutual fund (M/F) is a set of assets consisting of securities, money market instruments and cash, belonging *ab indiviso* to more than one investors-M/F shareholders. The M/F do not pay interest or have predefined returns. The return for the unit holder is the difference between the investment fund and its valuation over a period of time.

The M/F's revenues arising from interests, dividends and premium profits can be distributed on an annual basis to the shareholders, after deducting the total expenses for the financial year. Unless the regulation of the M/F provides otherwise, the dividend of the M/F is reinvested thus increasing the M/F assets as well as the value of the shareholders' position in accordance with the shares that each of them holds.

The M/F's capital is divided in mutual fund shares, not in shares or bonds. When an investor participates in a M/F, the deposited amount is converted into shares (usually in a fractional figure) which do not change unless he deposits or withdraws money. Thus, if somebody wishes to calculate the current value of his investment, he needs to multiply the number of mutual fund shares which he holds with the repurchase price as the latter has been published in the press.

The M/F is managed by a Management Firm. For the protection of the shareholders, the assets of the M/F are safeguarded in a Bank (Greek or foreign) which operates in Greece and acts as a trustee.

The statutes of the mutual fund include, *inter alia*, information about its aims and investment policy, the types of product in which it can invest its assets, and the terms for participating and redeeming shares. M/Fs are supervised by the regulatory authorities of the country in which they are active

Based on the financial instruments on which they invest their assets, M/Fs are divided into the following categories:

- Liquidities Management M/Fs, to the degree that they mainly invest in deposits and money market products. These M/Fs do not invest in shares and are particularly low-risk.
- Bond M/Fs, to the degree that they mainly invest in bonds and by a small percentage of their capital (10%) in shares. These are also low-risk M/Fs.
- Mixed M/Fs, to the degree that they invest at least 10% of their assets in shares and at least 10% in bonds. Investments in shares and bonds may not exceed 65% of the M/F's assets. Mixed M/Fs carry medium-risk.
- Stock M/Fs, which mainly invest their assets in shares. These are relatively high-risk mutual funds.
- Funds of Funds: M/Fs that invest in shares of other M/Fs. The risk depends of the categories of the other M/Fs in which they invest.
- Hedge Funds: A special type of fund, which may invest to a high degree in derivatives (please refer to the section describing derivative products). These funds operate under a less strict regulatory framework. In view of their exposure to derivative products, they are considered high-risk investments.
- Absolute M/Fs: A special type of M/F, that manage their portfolios actively with the aim of achieving positive returns irrespective of the course of the market overall. The target return is usually defined in terms of a correlation with money market interest rates or the inflation rate.
- Exchange-Traded Funds (ETFs): ETFs are listed investment instruments traded in regulated markets. The structure of their portfolios is linked to a stock market index (e.g. the S&P 500) or a market sector (e.g. telecommunications, energy, etc.) or the price of a commodity (e.g. gold, oil, corn, etc.).
- Commodity Funds: These funds invest in commodity markets, such as the Chicago Mercantile Exchange, using derivatives of which the underlying elements are commodity securities or indices.
- Alternative M/Fs- Alternative investments: alternative investments relate to non-traditional placements, such as commodities, Private Equities, Venture Capital Funds, distressed securities, Real Estate Funds, managed Funds and other Funds. Moreover, the Alternative M/Fs, which constitute an alternative form of investment, that offer positive return irrespective of the market performance, by applying particularly complex and risky investment policies designed to exploit the relationship between return and risk. These investments use arbitrage or/and derivatives for speculative purposes-not only for hedging- Also they relate to short selling and leverage of capital under management through lending.

Based on the above, it is clear that the investment risk (part or total loss of the invested capital) is high in Stock Funds, moderate in Mixed Funds and low or even very low in Bond or Liquidities Management Funds.

Further information concerning the allowed investments in M/Fs, the investment goal of M/Fs, the investment policy of M/Fs, the investment restrictions, the methods of portfolio management, the level of the investment risks of the portfolio and the characteristics of the investor profile to whom the M/F addresses to, are provided in the prospectus of each M/F.

Investment Risks

Investing in M/F is likely to carry the following, non-exhaustive list of risks:

a) Capital Loss Risk: the mutual fund share's value depends almost entirely on the value of the mutual fund's assets thus the value of the financial instruments of the fund. Additionally, once the share is admitted to trade in a regulated market its market value may not depict its real value. The risk of losing part or –under certain circumstances- total the invested capital may incur.

b) Market Risk: under certain circumstances, trading of shares in a regulated market may be postponed or terminated (f.i. due to intense fluctuations of the prices, to ensure investor protection and the orderly functioning of the market, due to force majeure etc., or according to the regulations of the relevant market). Furthermore, it is possible, subject to conditions , total the shares of the mutual fund to be cancelled following decision of the administrator of the respective market or the supervisory authority or the M/F itself.

c) Liquidity Risk: It is possible following decision of the M/F's administrator, for the repurchase of shares to be postponed for a certain period of time.As a result, the liquidation of the mutual fund shares becomes unattainable for the said period.

d) Other Risks: The value of the mutual fund shares depends on other factors, such as, indicatively, failure to achieve a smooth settlement of the transactions, failure of the issuer of the financial instruments to fulfill its financial obligations (f.i. payment of dividends), failure to liquidize assets particularly in case of limited distribution, insolvency of the M/F's trustee which results in a reduction of the M/F's total asset value., In any case when investing in M/Fs, the general investment risks described above (point II) shall be taken into consideration.

Who should invest in M/Fs:

The M/Fs are compatible with all investor categories according to MiFID II (retail, professionals, eligible counterparties).Excluding the structured UCITS, according to in regulation (EU) 583/2010 (please refer to section 6.1. "Appropriateness assessment"), which are addressed to clients with knowledge in complex financial instruments and experience in the aforementioned instruments for over a year or/and for over 3 transactions within the past year. Non-complex (non-structured) M/Fs address to all investors regardless of their knowledge or experience.

According to the category in which the M/F belongs in, it shall be addressed to investors with different investment profiles and different investment goals. In particular, the Liquidities Management M/Fs address to investors with a short term investment profile whereas Bond M/Fs and Mixed M/Fs address to investors with mid-term investment profile and all other M/Fs categories address to investors with long term investment profile.

They are not disposed to investors wishing a full capital protection.

In any case, before investing in any mutual fund, investors must ensure that they have understood fully in which subsidiary markets and products they will be participating via the M/F, and the risks they will be assuming. Most M/Fs publicize the value of their assets and the respective shares on a daily basis in a medium enjoying broad circulation, which facilitates reaching investment decisions (participation in a M/F or exit therefrom).

Specifically, investors must give particular attention to the institutional and legal framework governing each M/F, the relative yield of the M/F as compared to that of other M/Fs of similar type, and the overall performance of the specific category (e.g. Bond M/Fs), taking into account at all times the point at which markets stand on the specific stage of the economic cycle (e.g. upward trend for interest rates). In addition, investors must know about the procedure and time required for participating and de-investing in/from an M/F. M/Fs are in principal easily liquidized.

Note that the return of M/Fs cannot be guaranteed and that past performance is not a guarantee of future performance.

It is recommended to the investor that, prior to conducting any transaction in M/Fs, he should: a) study the prospectus issued by the administrator, b) examine the legal regime of the M/F, especially the rules governing the distribution of assets, c) go through any publications/announcements of important facts which have been published by the issuer, on the website of the regulated market in which the shares are admitted to trading.

11.5 Structured/Complex Products

Structured/complex products are comprised of several financial instruments with different payment terms and risk features. Structured/complex products may indicatively be classified on the basis of the following features:

- ✓ Guarantee of the initial capital at maturity: (a) 100% guarantee of the initial capital at maturity; (b) partial guarantee of the initial capital at maturity; and (c) no guarantee of the initial capital at maturity.
- ✓ Type of underlying security: (a) Shares or Indices; (b) Interest Rates; (c) Currency Parities; (d) Commodities; (e) Mutual Funds and Hedge Funds; (f) other underlying securities, such a freight rates, indices linked to climate changes, emission permits, inflation rates or other statistical indices, etc.; and (g) a combination of two or more underlying securities.
- ✓ Duration: (a) up to 1 year; (b) 1 – 2 years; (c) 3 – 5 years; and (d) over 5 years.
- ✓ Structured/complex products may have the form of a bond or a deposit.

Structured products are designed to meet specific needs that cannot be covered by the existing standardise products distributed in money and capital markets. They are used as an alternative method of reducing the risk of dispersion of a portfolio.

These products are usually traded over the counter,unless they are admitted to trading in a regulated market (especially bonds embedding derivatives). In that case the risk of the said products depends entirely on the issuer, unless there is a guarantor where the risk depends on the guarantor as well.

Structured products include, but are not limited to, capital guarantee products, where the issuer or/and the guarantor guarantee the full payment of the invested capital, provided that this will be required upon maturity.

The prices of structured/complex products are affected by the underlying securities and can lead to loss of even the entire capital invested (in the case of structured products that offer no guarantee of the initial capital).

<u>Investment risks</u>

The main risk arising from investments in structured products is the fact that the counterparty e.g. the Credit Institution, is likely to fail to fulfill its obligations to the investor. Credit Institutions are supervised by both the National Central Bank of the country where they are operating and the National Central Bank of the country where they maintain their registered office. In addition to the above, the investors shall also take into account the general investment risks outlined in Section 12 hereof.

Structured deposits are a type of a structured product. A structured deposit is defined as a deposit, fully repayable upon maturity, on terms under which any interests or premiums are paid or exposed to risk according to the performance of the underlying asset, product, commodity, market index, or a combination of indexes. Variable rate deposits whose return is directly linked to an interest rate index, such as Euribor or Libor, an exchange rate or a combination of exchange rates, are excluded.

Structured deposits may offer higher returns than simple deposits, but any returns are not guaranteed as they depend on the performance of the underlying asset, product, commodity or index. It is also noted that in case of the investor's early exit from the product, investor may lose part of the return or pay an insurance premium.

Investors shall bear in mind that apart from the general investment risks described above, structured deposits carry also counterparty risk in the event of resolution of the issuing Bank and are further subject to the risk related to price changes of the underlying asset. When a structured deposit is linked to more underlying assets, the risk related the value of each asset that compose the product is evaluated separately, where the risk of the structured product is evaluated in total.

Structured deposits are likely to incorporate structures that make it difficult for the client to understand the relationship between return and risk or the early exit cost (please refer to section 6.1 “Appropriateness assessment” for further information regarding complex financial instruments). The respective category of instruments is addressed to clients with knowledge in complex financial instruments.

It is highlighted that structured deposits are considered to be investment products and are covered by the Investment Guarantee Fund (“Guarantee Fund”) up to the amount of EUR 30.000 in case of a definitive and irreversible failure of the Bank to fulfill its obligations to investors-clients (please refer to section 10 “Insurance Cover / Compensation Plan” for further information on coverage). An example of a structured deposit is the Dual Currency Deposit: It is a short-term deposit (<1 year) in one currency, and withdrawal at maturity is made either in the currency of the initial deposit or in another agreed currency.

Assuming a Dual Currency Deposit position in his portfolio, the client is essentially selling to the Bank an option of which the underlying security is a currency parity (please refer to the section describing Derivatives), which entitles the Bank to exercise that option. In this case the client receives his initial deposit but in a different currency, and the Bank pays to the client the premium of the option in the form of augmented interest rate on the deposit.

Consequently, the Dual Currency Deposit product involves considerable risk for the investor.

Without prejudice to the information included to the Key Information Document (KID) under the provisions of Regulation 1286/2014 of 26 November 2014 of the European Parliament and of the Council on structured investment products for retail investors and insurance based investment products (PRIIPs), structured deposits are compatible with all investor categories according to MiFID II (retail, professionals, eligible counterparties), while they address to investors with knowledge in complex financial instruments (that are linked to the product), who aim at safeguarding their invested capital. It is noted that, market access is offered exclusively through Bank’s Treasury.

Dual Currency Deposit is compatible with all investor categories according to MiFID II (retail, professionals, eligible counterparties), whereas addresses to investors with knowledge in complex financial products and FX transactions, who aim at gaining an efficient return as well as extra liquidity or/and for risk hedging.

11.6 Derivative Products

Derivative products are financial instruments of which the price depends on, derives from, or follows the price of other underlying instruments. Indicatively, the underlying instruments may be currency parities, interest rates, shares, bonds, stock market indices, commodities, assets, credit, other variables such as freight rates, emission permits, climate variables, inflation rates or other official economic statistics. The main use of derivatives is as follows:

- ✓ <u>Hedging</u>

  Derivative products are used to hedge against existing or future risks that may arise from investments in other financial instruments. For example, an investor needing to hedge against the market risk to which he is exposed because of his position in shares (a decline in share prices), may wish to assume a position hedging against that risk in the derivatives market.

- ✓ <u>Speculation</u>

  Those entering transactions involving derivative products may be seeking to obtain profit (speculation). An investor may wish to exploit the capability offered by investments in derivative products, i.e. assume a position several times the value of the invested amount (leverage), always accepting also the corresponding increase in the risks to which he is exposed.

- ✓ <u>Arbitrage</u>

  Those entering transactions involving derivative products may be seeking to obtain profit without assuming any risk by exploiting short-term discrepancies in market prices, i.e. changes in the price of financial instrument traded in two or more markets (arbitrage). Arbitrage transactions require a low transaction cost.

The main types of derivatives are futures, options and swaps, and they are described below.

Futures

Futures are agreements for the purchase and sale of goods at a specific future time at a predetermined price. Futures products are usually traded in regulated markets (derivatives exchanges) and so have specific features, such as set maturity dates and liquidation methods that are described below. The respective Over-The-Counter (OTC) transactions that are not governed by special-specific rules but are based on bilateral contracts are called "Forwards"; they are presented in more detail in the section about OTC Derivative Products. The investors can invest on both an upward and a downward course of the underlying instrument. A Futures contract has a maturity date and a specific price on that date. The margin required for each investment in a Futures contract is expressed as a percentage of its nominal value; a daily cash settlement is made. Futures are encountered in a broad range of financial instruments. Some examples from the European market are Futures in the DAX, Eurostoxx 50 and FTSE-100 stock indices, while Futures in German bonds, the "Bunds, Bob, Schatz futures", and the "Euribor, Short Sterling futures" on interest rates are also very popular. Similarly, some of the most common Futures in the US market are those on the S&P 500, Dow Jones, and Nasdaq indices, the 30-year Treasury bond future in bonds, and the Eurodollar futures in interest rates. Other Futures have other underlying instruments, such as commodities. Also popular are futures on gold and oil.

Features

The main characteristics of futures trading are the following:

- ✓ Maturity at a specific future point in time.
- ✓ Leverage, i.e. that the required margin for a future contract is considerably lower as compared to the contract's nominal value.
- ✓ Daily cash settlement, where profits and losses are valuated and debited/credited on a daily basis.
- ✓ The Margin, which is the minimum amount (a percentage of the nominal value of the transaction) required to be paid by both counter-parties.
- ✓ The multiplier, which determines the future contract's nominal value.
- ✓ The concept of physical delivery or final cash settlement. Upon maturity of a future contract, it is either converted into the respective underlying product or simply ceases to exist, and the final liquidation price is the basis for calculating the final cash settlement.

Indicatively, below are listed details about the features of futures contracts in the derivatives market of the Athens Stock Exchange. These features may differ at the time of reading. Even so, they are useful for obtaining a better understanding of both the Greek and the international derivatives markets, since their characteristics are similar.

Underlying Asset	The FTSE/ATHEXLarge CapIndex
Contract Size	5 EUR per index point (multiplier).
Contract Price	The buying or selling price of the Contract. The Contract price is quoted in index points.
Minimum Fluctuation	0.25 index points, equivalent to 1.25 EUR

Futures Expiration	Expiration Months: March, June, September and December. Expiration Day: every 3rd Friday of the corresponding expiration month
Margin	14% on the contract nominal value.
Daily Cash Settlement	Contracts are subject to Daily Cash Settlement based on the Daily Settlement Price. Payment and collection of the payable Daily Cash Settlement Amounts occurs on the next trading day.
Payable/Receivable Amount of Daily Cash Settlement	The Amount of Daily Cash Settlement is calculated as follows: Daily Cash Settlement Amount = (Dsettle – Pfuture) x M x number of contracts Where : Dsettle: The Daily Settlement Price of the Future Contract on the current trading day Pfuture: The trade price of the contract or the Daily Settlement Price of the Future Contract on the immediately preceding trading day M: Contract size (multiplier)
Final Settlement	The Final Settlement is cash settlement
Final Settlement Day	The first trading day following the Expiration Day (T+1).
Final Settlement Price	The Final Settlement Price is defined as the underlying index price on the expiration day, as calculated by the call auction conducted from 13:50 to 14:00.
Payable/Receivable Amount of Final Cash Settlement	The Amount of Final Cash Settlement is calculated as follows: Amount of Final Cash Settlement = (Fisettle – Pfuture) x M x number of contracts Where: Fisettle: The Final Settlement Price of the underlying asset (Index) Pfuture: The trade price of the contract or the Daily Settlement Price of the immediately preceding trading day M: Multiplier

Example of Futures Contract on FTSE/ATHEX Large Cap

Day of Position Opening (Long)	Day T
Purchase Price of a Future Contract expiring in March (assuming that the March contract has the same price as that of the underlying index)	1,000 points
Number of contracts	10 contracts
Nominal Value	1,000 x 5 x 10 = 50,000 €
Cash Margin	14% of the nominal value 50,000 x 14% = 7,000 €
Settlement Price of Contract on day T	1,050 points

Payable / Receivable Amount of Daily Cash Settlement on day T	(closing price of the day – position opening price) x number of contracts x multiplier (1,050 – 1,000) x 10 x 5 = +2,500 €

Day	T+1
Closing price of underlying Asset	980 points
Nominal Value	49,000 €
Futures Settlement Price	980 points
Cash Margin	14% x 49,000 € (Nominal Value) = 6,860 €
Day T+1 Settlement (Debit / Credit)	(closing price – closing price of preceding day) x multiplier x number of contracts = (980 – 1,050) x 5 x 10 = - 3,500 €

Position closing (prior to expiry)	T+15
Futures sell price	1,100 points
Cash Margin	Position closing, margin release
Total (Final) Settlement	(position closing price – position opening price) x multiplier x number of contracts = (1,100 - 1,000) x 5 x 10 = 5,000 €

Futures expiration (automatic position closing)	3rd Friday of Expiry Month
Futures Settlement Price	1,100 points
Cash Margin	Position closing, margin release
Total (Final) Settlement	(position closing price – position opening price) x multiplier x number of contracts = (1,100 - 1,000) x 5 x 10 = 5,000 €

<u>Detailed characteristics of Futures on stocks</u>

Underlying Asset	Various large cap stocks
Contract Size	100 shares
Contract Price	The purchase or sale price of the Contract. Contract price is expressed in euro per share.
Minimum Fluctuation	0,01 €
Futures expiration	Expiration months: March, June, September, December Expiration Day: every 3rd Friday of the corresponding expiration month.

Margin	Depending on the stock and as may be determined by the Athens Exchange
Daily Cash Settlement	Contracts are subject to Daily Cash Settlement based on the Daily Settlement Price. Payment and collection of the payable Daily Cash Settlement Amounts occurs on the next trading day.
Payable / Receivable Amount of Daily Cash Settlement	The Amount of Daily Cash Settlement is calculated as follows: Daily Cash Settlement Amount = (Dsettle – Pfuture) x M x number of contracts Where : Dsettle: The Daily Settlement Price of the Contract on the current trading day Pfuture: The trade price of the contract or the Daily Settlement Price of the contract on the immediately preceding trading day M: Contract size
Final Settlement	The final settlement is a cash settlement (Final Cash Settlement) and is effected through delivery of the Underlying Asset (shares) against payment of consideration. The buyer receives and the seller delivers the shares.
Final Settlement Day	The delivery of the underlying asset (shares) is effected on the third trading day following the expiration day (T+3)
Payable / Receivable Amount of Final Cash Settlement	The Amount of Final Cash Settlement is calculated as follows: Amount of Final Cash Settlement = (Fisettle – Pfuture) x M x number of contracts Where: Fisettle: The Final Settlement Price (expressed with two decimals) Pfuture: The trade price of the contract or the Daily Settlement Price of the immediately preceding trading day M: the contract size

<u>Example of Futures Contract on National Bank of Greece (NBG) share</u>

Day of Position Opening (long) in NBG Futures	T
Purchase price of NBG Future Contract	13 €
Number of contracts	10 (1,000 shares)
Closing price of Future Contract	12.50 €
Margin	20% of the nominal value (depending on the closing price of the underlying stock) (20% x 12,500 = 2,500 €)
Day T Settlement	(closing price of the day – position opening price) x number of contracts x 100 (12.50-13) x 1,000= - 500 € (loss)

Day	T+1
Closing Price of Future Contract	13.10 €
Number of contracts	10 (1,000 shares)
Nominal Value	13,100 €
Margin	20% of the nominal value (20% x 13,100=2,620 €)
Day T+1 Settlement	(closing price of the day – closing price of preceding day) x number of contracts x 100 (13,10-12,5) x 10 x 100= 600 € (profit)

And so on, until another transaction is executed or the position is closed.

Position closing (prior to expiry)	T+15
Future Contract sell price	15.50
Cash Margin	Position closing, margin release
Total (Final) Settlement	(closing price – position opening price) x number of contracts x 100 (15.50-13) x 10 x 100= 2,500 € (total profit)

Position closing (through physical delivery)	3rd Friday of the expiration month
NBG Future Contract Settlement Price	15.50
Settlement at Expiration (cash settlement)	(position closing price – position opening price) x number of contracts x 100 (15.50-13) x 10 x 100 = 2,500 € (total profit)
Final Settlement through physical delivery (T+3)	The investor is obliged to receive 1,000 NBG shares and pay 15,500 € at the 3rd trading day (T+3) following the expiration day.

There are also Futures on commodities such as gold and oil which are particularly popular. The characteristics of a Future Contract on oil are presented below via an example:

Underlying Asset	NYMEX Light Crude Oil price
Contract Size	1,000 barrels.
Contract Price	The price of purchase or sale of the contract. The contract price is expressed in USD/barrel.
Minimum Fluctuation	$0,01/barrel, equal to $10

Futures expiration	Expiration months: all calendar months Expiration day: 3 business days prior to the 25th day of the month preceding the expiration month. For example, the January tranche expires on December.
Margin	Determined by the Stock Exchange based on the volatility of the underlying asset. On 27/11/2008 the required margin was $15,000
Daily Cash Settlement	Contracts are subject to Daily Cash Settlement based on the Daily Settlement Price. Payment and collection of the payable Daily Cash Settlement Amounts occurs on the next trading day.
Payable/Receivable Amount of Daily Cash Settlement	The Amount of Daily Cash Settlement is calculated as follows: Daily Cash Settlement Amount = (Dsettle – Pfuture) x C x number of contracts Where : Dsettle: The Daily Settlement Price of the Future Contract on the current trading day Pfuture: The trade price of the contract or the Daily Settlement Price on the immediately preceding trading day C: Contract size
Final Settlement	The Final Settlement is cash settlement
Final Settlement Day	The first trading day following the Expiration Day (T+1).
Final Settlement Price	The final Settlement price is defined as the price of the underlying commodity on expiration day, as such is calculated by the call auction conducted from 21:30 to 21:45
Payable/Receivable Amount of Final Cash Settlement	The Amount of Final Cash Settlement is calculated as follows: Amount of Final Cash Settlement = (Fisettle – Pfuture) x C x number of contracts Where: Fisettle: The Final Settlement Price of the underlying commodity Pfuture: The trade price of the contract or the Daily Settlement Price of the immediately preceding trading day C: Multiplier

Example of a Future Contract on NYMEX Light Crude Oil

Day of a Position Opening (long)	Day T
Purchase price of January expiring Futures	$50/barrel
Number of contracts	10 contracts
Contract Size	1,000 barrels
Nominal Value	1,000 x $50 x 10 = $500,000

Margin	10 x $15,000 = $150,000
Day T Settlement Price	$51/barrel
Payable/Receivable Amount of Daily Cash Settlement on day T	(closing price of the day – position opening price) x number of contracts x contract size ($51-$50) x 10 x 1,000 = $10,000

Day	T+1
Closing price of NYMEX Light Crude Oil	$50.50/barrel
Nominal Value	$505,000
Futures Settlement price	$50.50/barrel
Day T+1 Settlement (Debit/Credit)	(closing price – closing price of preceding day) x contract size x number of contracts = ($50.50 - $51) x 1,000 x 10 = -$5,000

Closing of Position (prior to expiry)	T+….
Sale Price of Future Contracts	$55/barrel
Cash Margin	Position closing, margin release
Total (Final) settlement	(position closing price – position opening price) x contract size x number of contracts = ($55-$50) x 1,000 x 10 = $50,000

Investment Risks

- ✓ Conditions in the Derivatives markets

Financial conditions in the derivatives market (e.g. whether there is or not liquidity) and the rules for how such market functions (e.g. safety valves to ensure the smooth operation of the market: temporary adjournment of the session, suspension of trading in a derivative, disqualification of a derivative) may render difficult or unfeasible the conclusion of effective transactions in derivatives, and so increase the risk of losing the capital invested.

- ✓ Divergence between the Derivatives Market and the Market for the Underlying Securities (Derivatives Market circumstances)

The prices of derivative financial instruments do not necessarily correspond to those of the underlying securities. Such a deviation may be due to the circumstances (e.g. demand) or the rules of operation (e.g. price limit) in the derivatives market or in the market for the underlying securities.

- ✓ Basis Risk

This risk arises when the investor, by entering transactions with derivatives, aims at hedging against the risk of transactions in the underlying securities; however, a position in derivatives cannot be perfectly correlated with one in the underlying securities (e.g. in the case of futures on the FTSE index, the investor does not have concurrent positions on all shares that comprise the index, and even less so in the proportion or the weight at which these participate in the index).

- ✓ Counterparty Risk

This risk arises when one of the counterparties (e.g. in the context of an OTC transaction) is not able to meet its obligations as they fall due. The investor will have to open a new position at the price offered in the relevant market (replacement value), which (price) will increase by a respective amount, depending on the time remaining to the maturity of the derivative (add-on).

- ✓ Cash or property deposit risk

The blocking of cash or property may entail credit risk, if the custodian does not meet in full its obligations as they come due or later.

Specifically, transactions in Futures entail a high level of risk, due to the leverage used. Taking into account that the amount of the margin required for opening a position is small compared to the total value of the contract, a small change in the value of the contract will lead to a proportionately much higher impact on the capital that has been invested and/or may potentially be required to be invested to maintain the position. Specifically, in the event of an adverse change in the value of the contract, the investor will have to pay the amount required for daily settlement and in addition replenish the required margin. Further, if the entity effecting the clearance of the transactions or any other authorised person set a higher margin level, the investor will be obligated to pay the additional sum. If the investor fails to meet these obligations within the deadlines set by the law and the agreement, the Credit Institution may, always in accordance with the law and the agreement it has concluded with the investor, order the closing of the investor's position, and the latter is then responsible for meeting all the obligations deriving from the clearance of such transactions.

It is noted that investment in futures carries the risk of losing part or total the invested capital.

Orders of the client aiming at limiting potential losses, such as the "stop-limit" order or the "stop-loss" order (Please refer to Annex A), may prove ineffective due to market conditions that prevent their execution.

<u>Who should invest in Futures</u>

Without prejudice to the information included to the Key Information Document (KID) under the provisions of Regulation 1286/2014 of 26 November 2014 of the European Parliament and of the Council on structured investment products for retail investors and insurance based investment products (PRIIPs), futures are compatible with all investor categories of according to MiFID II (retail, professionals, eligible counterparties) and address to investors with knowledge in complex financial instruments and minimum one year experience in trading on the said instruments or an experience of at least three transactions within the course of a year, who aim at gaining high returns or at risk hedging.

Futures are easily liquidized.

They are not disposed to clients who expect a full capital protection or who do not wish to suffer capital loss.

In any case, the investor shall, prior to conducting any transaction, study and comprehend the KID which is granted in case of retail investors. The information herein is indicative and does not include special features of each instrument which are presented in detail in the relevant KID.

Options

The risk of investing in options is directly linked to the type of option, i.e. whether it is a "call" option or a "put" option. The investor may either buy (call) or sell (put). A call option incorporates the buyer's right, but not the obligation, to buy the underlying financial instrument at a specific price, at a specific (future) date. The buyer pays a price to buy the option. A put option incorporates its buyer's right, but not the obligation, to sell the underlying financial instrument at a specific price, at a specific (future) date. There is no daily cash settlement in options. Upon buying an option, the investor assumes the right, but not the obligation, to buy or sell a financial instrument at specific future point in time at a set price. The seller of the option assumes the contrary obligation. When purchasing an option payment of its value is required, but a margin account is not. The sale of an option generates a cash inflow, but a sufficient margin is required to cover potential future losses. The options may be of the American or the European type. In the former case, the buyer may demand to exercise the option at any point in time up to expiration, whereas European-type options can only be exercised upon their expiration.

To evaluate the returns of any open position, there must be taken into consideration all obligations and commissions charged for the transactions, as well as the price of the options paid by the client.

The buyer of an option may either exercise the option or allow it to expire. When an option is exercised, its clearance is made either in cash or by physical delivery of the underlying instrument. If the underlying instrument is a futures contract, and the buyer exercises his option, he will acquire a position in a futures contract, with all the attendant obligations for payment or supplementing the margin and for the daily or final clearance of such position. If the option expires, the investor will lose the entire capital invested, which is comprised of the value of the option, expenses of all types and any commission charged.

The seller of an option is more exposed to risk than the buyer. Even though the value paid to the seller of the option is limited, the amount of the loss that may arise is much higher than the option's value. Specifically, if the price of the option is increasing, the seller must supplement the required margin. Further, if the entity effecting the clearance or any other authorised entity set a higher margin level, the investor will be obligated to pay the additional sum. If the investor fails to meet these obligations within the deadlines set by the law and the agreement he has signed, the bank may close the investor's position, but the latter is then responsible for meeting all the obligations deriving from the clearance of such transactions. The seller is also exposed to the risk that the buyer will exercise the option. In this case, settlement is made either in cash or by physical delivery of the underlying instrument. If the seller has hedged his position by opening new positions in the underlying instruments, futures or options, the risk of losses may be much lower. In the contrary case, the risk may be unlimited.

Using options may lead to benefits from each movement in the market (positive or negative) or its fluctuation or its immobility.

To classify options, it is necessary to clarify the rights and obligations arising from their use for the buyer and the seller. Thus, the buyer of the option has the right, but not the obligation, to buy (call options) or sell (put options) the underlying product at a set price at a specific future point in time. The seller sells this option to the buyer and collects the value of the option. In market terminology, the option is "long" on the buyer's part and "short" on the seller's part.

Therefore, the four main positions in options are the following:

- ✓ Purchase of a call option (long call)
- ✓ Sale of a call option (short call)
- ✓ Purchase of a put option (long put)
- ✓ Sale of a put option (short put)

In options, the value paid by the buyer to the seller (premium) depends on the possibility that the option will be exercised at expiration and is determined by demand and supply. That is the price negotiated at derivatives markets and the price we ask from a trader, exactly as in the case of purchasing and selling shares. Clearly therefore, as the possibility of an option being exercised increases, i.e. returning a profit to its buyer, the price of the option also increases.

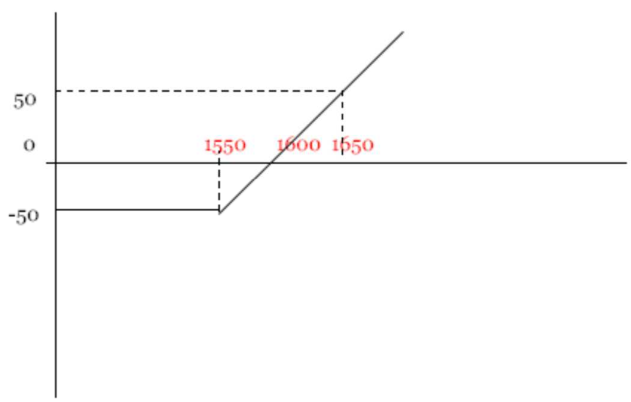
According to market terminology, call options with an exercise price ("strike price") lower than the current price of the underlying instrument are designated as being "in-the-money", and call options with a strike price higher than the current price of the underlying instrument, i.e. with small chances of being exercised, are designated as being "out-of-the-money". By the same reasoning, put options with a strike price higher than the current price of the underlying instrument are "in-the-money", and put options with a strike price lower than the current price of the underlying instrument are "out-of-the-money". Call and put options of which the strike price is the same with the current price of the underlying instrument are designated as being "at-the-money".

Long Call

The buyer of a call option pays the value of the option and so acquires the right to buy the underlying product at expiration (which is usually on the third Friday of the expiration month) at the strike price. For example, a purchaser buys a call option on the FTSE/ASE-20 with a strike price of 1550 expiring in December 2014. The value of the option in the market is 50 index points and the current price of the index is 1450 points (a hypothetical example). There ensue the following:

The buyer of the option pays the value corresponding to 50 index points, and therefore if at the expiration of the option (December 2014) the index closes at over 1550 points, the buyer will exercise the call option since he has the opportunity to obtain the underlying instrument at a price lower than market price. In the same manner, the buyer of a call option will not exercise the right if the index closes at below 1550 points and will lose only the initial investment of 50 points. In this case, the option is said to have expired without value.

The profit/loss graph -in index points- arising from the above position is as shown below. Further, the internal value of the option (see Annex B: Definitions) and profitability can be depicted in relation to the value of the underlying instrument.



SPOT	INT. VALUE	P/L
1250	0	-50
1350	0	-50
1450	0	-50
1550	0	-50
1600	50	0
1650	100	50
1750	200	150
1850	300	250
1900	350	300
2000	450	400

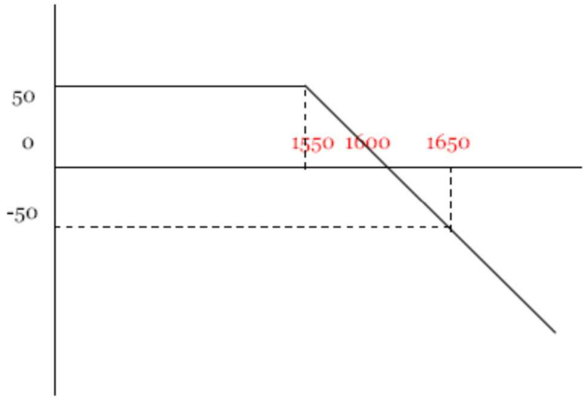
Maximum profit (P/L) can be achieved in a market displaying a significant upward course and is unlimited.

Maximum loss (P/L) is equal to the initial investment, which in the above example is 50 index points.

If at the expiration of the option the price of the underlying security in the market is higher than the strike price, the buyer will exercise the option and benefit from the difference. However, up to 1600 points there will be no profit, since the buyer has already paid 50 points in order to acquire the option. From the point which is equal to the sum of the strike price plus the value of the option and over, the buyer earns profit. When opening a position such as the above, we expect a significant rise in the market.

Short Call

The seller of a call option receives the value of the option and must deliver the underlying instrument to the option's buyer if the latter decides to exercise it. Assuming the case of the previous example, the profitability graph for the sale of a call option has as follows:



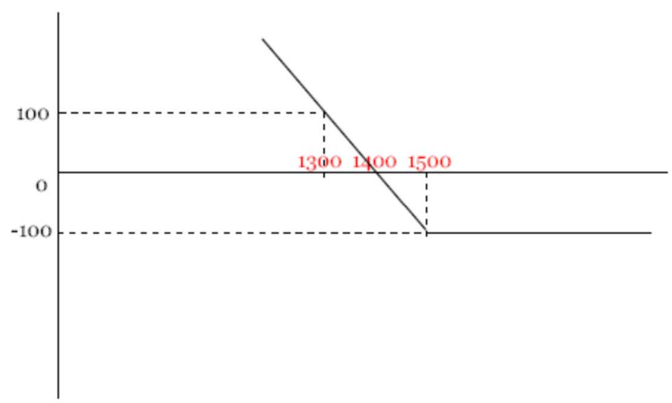
SPOT	INT. VALUE	P/L
1250	300	50
1350	200	50
1450	100	50
1550	0	50
1600	0	0
1650	0	-50
1750	0	-150
1850	0	-250
1950	0	-350
2000	0	-450

The maximum profit in the above position is the value of the option paid by the buyer upon the purchase/sale transaction for the option (50 points) in every case of the underlying index falling below 1550 points (strike price), since then the option will expire without value. However, the potential loss is unlimited, since in a significant upward movement of the market the seller will be required to pay the entire amount of the difference between the closing price of the market and the strike price. The point at which profitability is nil is at 1600 points, i.e. the sum of the strike price plus the value of the option as paid at purchase. Assuming such a position, we expect a downward or immobile market.

Long put

The buyer of a put option pays the value of the option and buys the option to sell the underlying instrument at a specific price (strike price).

Assuming that the strike price is 1500 points, the price of the option is 100 points and the index is now at 1550 points. The buyer has paid for 100 points and is entitled to sell the index at 1500 on expiration. Therefore, if the closing price of the index on expiration is over 1500 points, the buyer can sell the underlying instrument at the market price and allow the option to expire, incurring a loss equal to the initial investment, which was 100 points. If the underlying instrument is traded at a price lower than the strike price, then the buyer will exercise the option and will profit from the difference between the closing price of the underlying instrument and the strike price of the option. The graph depicting this position is as follows:



SPOT	VALUE	P/L
1050	450	350
1100	400	300
1150	350	250
1200	300	200
1250	250	150
1300	200	100
1350	150	50
1400	100	0
1450	50	-100
1500	0	-100
1550	0	-100
1550	0	-100
1600	0	-100

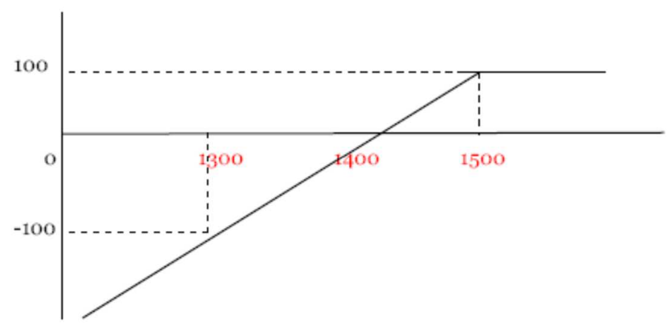
The maximum profit (P/L) from the purchase of a put option is practically limited to the level of the strike price minus the value of the option paid upon opening the long put option position.

Maximum loss (P/L) is equal to the value of the option which has been paid, i.e. 100 points.

From the point which is equal to the strike price minus the purchase value, and below that point, the buyer is earning a profit. Upon opening such a position, the investor expects a significant upward course in the price of the underlying instrument.

Short put

The seller of a put option collects the price of the option upon opening the position and is obliged to buy the underlying instrument from the option's buyer at a set strike price on expiration.



SPOT	VALUE	P/L
1050	450	-350
1100	400	-300
1150	350	-250
1200	300	-200
1250	250	-150
1300	200	-100
1350	150	-50
1400	100	0
1450	50	100
1500	0	100
1550	0	100
1550	0	100
1600	0	100

The above graph indicates that the maximum profit for the seller of the put option commences at 1500 points and corresponds to the option's value at its sale, i.e. 100 points. If the index closes at a price higher than 1500 points, the option will expire without value. In the case of a significant downward movement of the index the buyer will exercise the option and the seller must pay the total difference between the strike price and the closing price of the market. The maximum loss (P/L) in this position is practically limited to the strike price minus the value paid upon opening the short put position. The point at which profitability is zero is 1400 points, i.e. the strike price minus the value of the option. Such a position means that we expect an uptrend or immobile market.

Pricing of options

As stated above, the value of an option expresses the possibility of the option being exercised.

Implied volatility, i.e. the expected volatility of the underlying instrument in the market, affects the pricing of the options, since the possibility of exercising an option is higher as implied volatility rises. The time remaining for expiration of an option also affects its price, as the longer that period is the more likely it becomes that the option will be exercised, even at the most improbable strike prices.

The strike price also affects pricing. Clearly, the lower the strike price for a call option and the higher the strike price for a put option, the higher will be the price of the option, since the probability of it being exercised will be higher.

Expected dividends also affect pricing, as the buyer of a call option will not benefit so much from an upward movement of the market as he would if he was holding shares, since he does not collect dividend. Consequently, the higher the dividend, the lower the price of the call option will be. Under normal circumstances, expected dividends do not significantly affect option values.

Current interest rates of the currency of transaction: current interest rates affect positively the value of an equity option positively and affect negatively the value of the put option.

Under normal circumstances, expected dividends and interest rates do not significantly affect option values.

The exact pricing is affected by the above variables and is reached by applying mathematical models developed for that purpose.

- ✓ Multiplier: Derivatives on indices are quoted in index points. This means that, in order to express the value of an option in a currency, we must multiply the value of the option by the respective multiplier. For FTSE/ ATHEX-Large Cap options the multiplier is €2, the same as for futures contracts. Therefore, in order for an investor to buy the call option of the example, of which the cost is 50 index points, he must pay (50 x 2 =) €100 for each futures contract. The multiplier might be different for futures and options in the same index. Thus, for the German DAX index the multiplier for futures is €25 and for options €5. The multiplier in equity derivatives is usually 100 shares. Thus, the buyer of a call option at the National Bank of Greece priced €0.50 with a strike price of €20 will pay (100 x €0.50 =) €50 and acquire the option to buy, on expiration or earlier (the options in question are of the American type), 100 shares of the National Bank of Greece at €20.

Clearance of Transactions

Even though the clearing of transactions in each regulated market (exchange) depends on the laws of each country and the special characteristics of the local market, we consider that a major advantage of regulated markets is the concept of central counterparty. In regulated markets, a company/entity ("Clearing House") acts as an intermediary for exchange transactions (counterparty), which not only undertakes to determine the procedures and manner of clearing the transactions, but is responsible for setting the margins to be deposited by participants to ensure the completion of the transactions. On the date of clearing of an exchange transaction, the option buyer pays the value of the option to the Clearing House, and the option seller will collect the same amount from the Clearing House. The option seller must also deposit to the Clearing House the required margin deriving from his exposure to potentially infinite market risk, as described above. Margin is required only for short positions; in long positions it is not needed, since the buyer is under no obligation to exercise the option if the terms are not in his favour. Further, the seller of the option cannot request the exercise of the option.

Strategies

As described above, with options an investor may invest in any course of the market, or even its immobility. The four main positions examined above are the simplest strategic courses. It is worth remembering that the buyer of an option (long call or put) essentially also buys volatility; the opposite is the case with the seller (short call or put).
The six most usual composite strategies are analysed below. The first two take advantage of market movements in a specific direction (upward or downward), while the other four take advantage of market volatility, regardless of its course.

- ✓ Bull spread with calls
- ✓ Bear spread with puts
- ✓ Buy/sell straddle
- ✓ Buy/sell strangle

To better understand these strategies we will use the table below, with hypothetical prices of call and put options in the FTSE/ATHEX20 index.

The table contains five different strike prices and the purchase and sale price for call and put options.

In the examples below, we assume that the investor will buy or sell the options at market prices and that there is no commission.

As can be seen, the prices of the options vary, depending on strike price. Assuming that the index is now trading at 1550 points, the index call options with a strike price of 1450 or 1500 points will be more expensive than those with a strike price of 1650 points, since those with the lower strike prices are already profitable. By the same reasoning, put options with strike prices lower than the current index price are cheaper than those that allow the investor to sell the index at a price higher than the current price.

Bull spread with calls

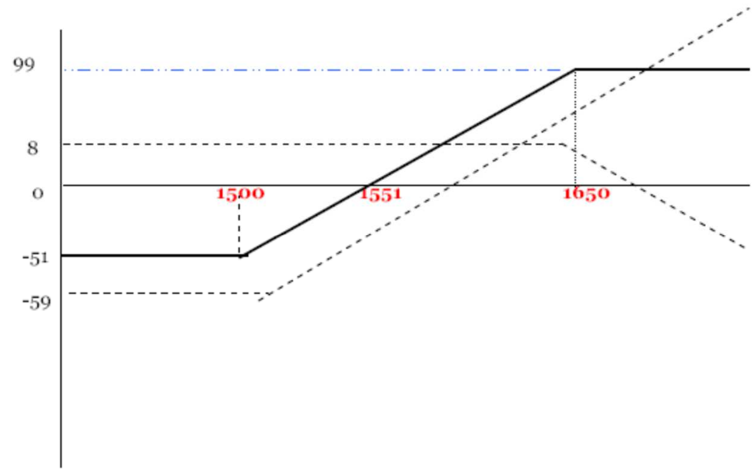
This strategy is pursued by purchasing a call option with a low strike price, and selling a call option with a higher strike price. Taking into consideration that a low strike-price call option is more expensive than one with a higher strike price, this position will give rise to an initial investment reflecting the maximum possible loss.

We assume now that the call options shown below are traded in the market at the above prices and the investor expects an upward trend in the market but considers that the rise will not exceed 1650 points. We assume also that the index is currently trading at 1550 points.

The investor wishes to buy the call option at 1500 and sell the call option at 1650 points. For this transaction, the investor must pay 59 points for the option with a strike price at 1500 points and will obtain 8 points from selling the option at 1650 points. The total cost for the investor is 51 points. Therefore, the investor paid for one single contract the amount of (51 x 5 x 1=) €255, assuming that the multiplier for the FTSE/ATHEX index is €5.

The graph for this position has as follows:

Options, March 2009				
Call Options		Strike Price	Put Options	
Purchase Price	Sale Price		Purchase Price	Sale Price
90	94	1450	14	19
53	59	1500	31	37
28.5	32.5	1550	53	59
12	16	1600	90	97
8	9	1650	128	139



SPOT	VALUE	P/L
1150	0	-51
1200	0	-51
1250	0	-51
1300	0	-51
1350	0	-51
1400	0	-51
1450	0	-51
1500	0	-51
1551	**51**	**0**
1600	100	49
1650	150	99
1700	150	99
1750	150	99
1800	150	99

The combination of the two positions results in specific loss and specific profit (P/L). Essentially, the investor will pay less to obtain this position compared to a simple long call position, with the trade-off not carrying unlimited profit if the market rises above 1650 points.

In summary:

The maximum profit of this position (P/L) is equal to 99 points or (99 x 5 x 1=) €495.

The maximum loss (P/L) is equal to the initial investment, i.e. 51 points or €255.

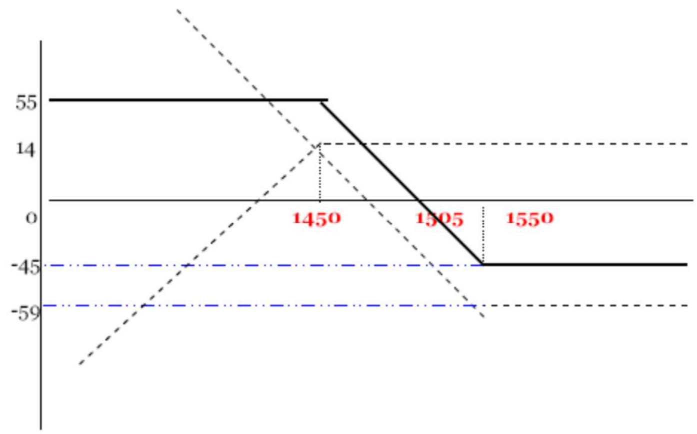
The break-even point of this position is at (1500+51=) 1551 points.

Bear spread with puts

Depending on the bull spreads, a reverse position can be set up, that will yield profit in a downward market. As with bull spreads, this position has limited profitability when the market declines sharply and is therefore useful in slightly downward markets.

The position is created with put options. The investor buys the put option at the high price (i.e. high strike price) and sells the put option at the low price (i.e. low strike price).

Assuming that the index is at 1550 points and the investor anticipates a downward movement of the market in the range of 100 points, he elects to use a bear spread with puts in order to take advantage of this movement, with strike prices at 1550 and 1450 points. As seen in the table with market prices, the 1450 point put option is traded at 14 to 19 points and therefore the investor will sell it at 14 points, and the 1550 point put option is traded at 53 to 59 points and therefore the investor will buy it at 59 points. The result of these two transactions is an outflow equal to 45 index points (or 45 x 5 x 1 = €225).



SPOT	VALUE	P/L
1200	100	55
1250	100	55
1300	100	55
1350	100	55
1400	100	55
1450	100	55
1500	50	5
1505	45	0
1550	0	-45
1600	0	-45
1650	0	-45
1700	0	-45
1750	0	-45

As with the bull spread, the combination of the two put options results in specific profit and specificloss.

In summary:

The maximum profit (P/L) of this position is equal to 55 points or (55 x €5=) €275.

The maximum loss (P/L) of this position is equal to 45 points, i.e. the initial investment.

The investor begins making profit when the index falls below 1505 points.

Straddles and Strangles

Straddles and strangles are volatility strategies, i.e. they are based on the investor's estimate of whether the market will move significantly, irrespective of the direction of such movement.

Four positions arise out of these strategies:

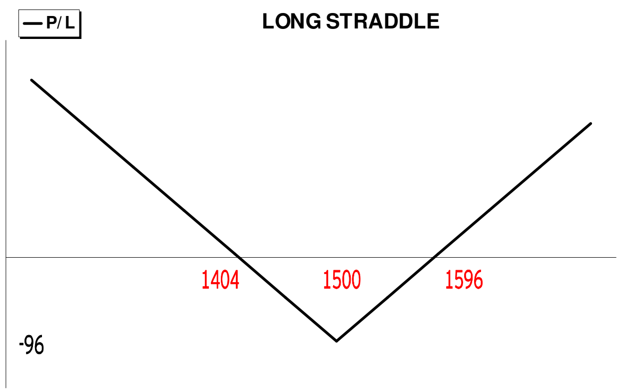
- Long straddle
- Short straddle
- Long strangle
- Short strangle

Long straddle and long strangle

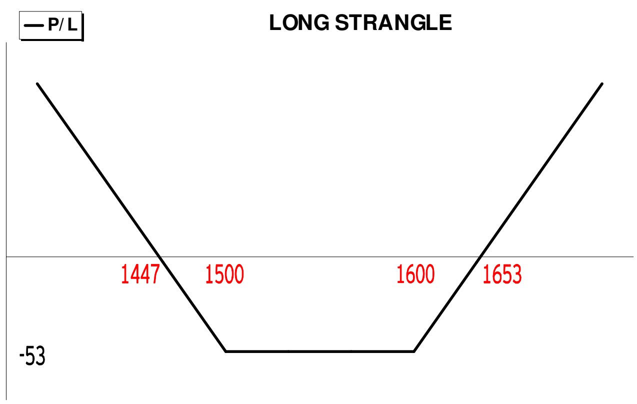
A long straddle is created by purchasing a call option and a put option having the same strike price and the same expiration date. Correspondingly, a long strangle derives from the purchase of a call option and a put option having different strike prices.

Both these strategies are used by investors who believe that the market will move significantly, though without being able to specify in which direction.

These strategies are reflected in the following diagrams.



SPOT	PAYOFF	P/L
1200	300	204
1250	250	154
1300	200	104
1350	150	54
1400	100	4
1404	96	0
1450	50	-46
1500	0	-96
1550	50	-46
1596	96	0
1600	100	4
1650	150	54
1700	200	104
1750	250	154



SPOT	PAYOFF	P/L
1200	300	247
1250	250	197
1300	200	147
1350	150	97
1400	100	47
1447	53	0
1450	50	-3
1500	0	-53
1505	0	-53
1550	0	-53
1600	0	-53
1650	50	-3
1653	53	0
1700	100	47
1750	150	97

In a long straddle market, the investor has an initial outflow of capital corresponding to the purchase of the two options (call option and put option) at a strike price of 1500 points. The maximum profit from this position is limitless and starts from (1500-96=) 1404 points in a downward market, and from 1596 points in an upward market. The maximum loss from this position will arise if the market remains immobile and the index closes at 1500 points, whereupon the investor will lose the entire initial capital.

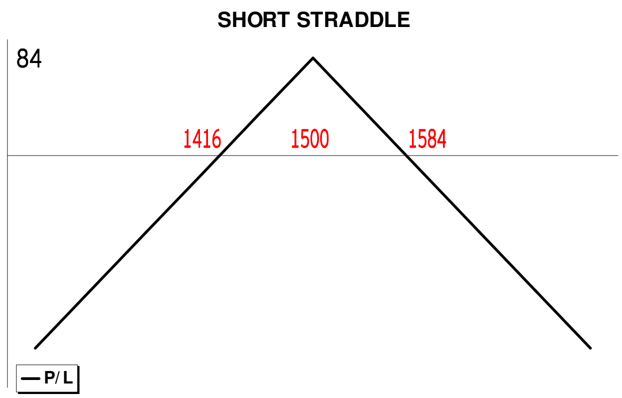
In a long strangle, the investor buys a call option and a put option at different strike prices. Specifically, the strike price of the call option is higher than that of the put option. As an example, we assume that the investor buys the call of 1600 and the put of 1500; the cost of this strategy is 53 points. In this position, the investor expects the market to either close above 1653 (1600 + 53=) points or below (1500-53=) 1447 points. The potential profit in this position, as with the long straddle, is infinite. The maximum loss consists of the initial capital, which the investor will lose if the index closes between 1500 and 1600 on the expiration day of the options.

Evidently, in a straddle profitability starts at a lower point than in a strangle. In both strategies the investor expects significant movement of the market. The investor has an initial outflow of capital and the potential profit is infinite, while maximum loss is limited to the initial amount of investment.

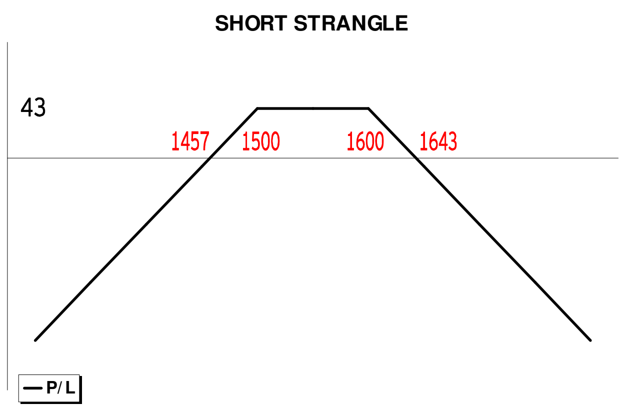
When employing these strategies, we expect significant movement in the market.

<u>Short Straddle and Short Strangle</u>

Short straddle and strangle are strategies employed when the investor expects the market to remain immobile. Of course, both these strategies entail high risks, since, as shown in the diagrams below, maximum loss can be infinite.



SPOT	PAYOFF	P/L
1200	-300	-216
1250	-250	-166
1300	-200	-116
1350	-150	-66
1400	-100	-16
1416	-84	0
1450	-50	34
1500	0	84
1550	-50	34
1584	-84	0
1600	-100	-16
1650	-150	-66
1700	-200	-116
1750	-250	-166



SPOT	PAYOFF	P/L
1250	-250	-207
1300	-200	-157
1350	-150	-107
1400	-100	-57
1450	-50	-7
1457	-43	0
1500	0	43
1550	0	43
1600	0	43
1643	-43	0
1650	-50	-7
1700	-100	-57
1750	-150	-107
1800	-200	-157

In the short straddle depicted above, the investor sells the call option and the put option at a 1500-point strike price. In this position the investor collects the premium from both options. Taking into consideration the hypothetical prices of the market quoted above, the investor will collect 31 points from the put option and 53 points from the call option, i.e. 84 points in total. With this strategy, the investor expects the index to close between two prices, i.e. (1500-84=) 1416 and 1584. If the index closes lower than 1416 or higher than 1584, then the investor will lose the difference between the closing price of the index and either the low or the high strike price, depending on the movement of the market. For instance, if the index closes at 1700 points then the investor's loss is (1584-1700=) 116 points or €580. In the contrary case, if the index closes at 1250 points then the loss is equal to (1250-1416=) 166 points or €830. The maximum profit of this position is achieved when the index closes at 1500 points, whereupon both options will expire without having been exercised, and the investor will have earned the premium of both options.

In the short strangle depicted above, the investor sells a call option at 1600 points and sells a put option of 1500 points having the same expiration day. Assuming that the 1600 call costs 12 points and the 1500 put costs 31 points, the investor will have an initial capital inflow equal to (12+31=) 43 points or €215. The points whence the investor starts to incur loss are (1600+43=) 1643 and (1500-43=) 1457. If on expiration of the contract the market closes between 1500 points and 1600 points, the options will expire without being exercised and the seller of the strangle will earn a profit equal to the initial amount of 43 points.

In a short straddle or strangle we look forward to an immobile market with limited volatility.

The above strategies are the most frequently encountered in options. It is a fact however, that options offer very considerable flexibility to investors, with many possibilities of making a profit. Investors may develop more complex strategies reflecting their forecasts on the market, as well as strategies aimed at risk hedging.

Risk Hedging

Options may also be used for risk hedging by investors with positions in other financial instruments such as stocks. Essentially, as with futures contracts, an investor may use options to reduce or even neutralize the market risk for his portfolio or a specific stock. For instance, if an investor has acquired shares in OTE [Hellenic Telecommunications Organization] at €17.50 and wishes to ensure that he will not incur a loss in case of downward movement of the market, he may acquire put options in OTE and practically lock a specific price at which he will be able to sell his OTE shares in the future irrespective of the market's movement.

The reasoning behind the strategies and the operation of options on stocks is the same as for options on indices.

The February put option for OTE is at €17.5 and the strike price is €1.2

The investor wishes to "lock" his loss if the OTE share price falls below a certain point.

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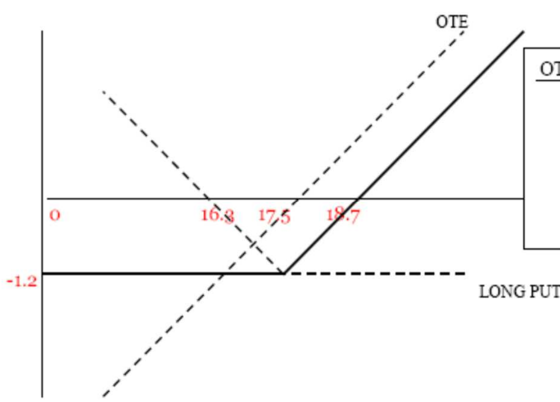

OTE PRICE	OTE P/L	PUT P/L	POSITION P/L
15	-2.5	1.3	-1.2
16	-1.5	0.3	-1.2
16.3	-1.2	0	-1.2
17.5	0	-1.2	-1.2
18.7	1.7	-1.2	0.5
20	2.5	-1.2	1.3
22	4.5	-1.2	3.3

The above diagram depicts in dotted lines the outcome of the purchase of a put in OTE after having first acquired the stock. The resulting graph is the same as with the purchase of a call in OTE. It can be seen that taking such a position, the investor pays the premium for acquiring the put option and manages to incur a specific loss if the share price falls below €17.5. In consideration of the protection of the OTE position, in a potential decline of the stock price the investor will begin earning a profit at (17.5+1.2=) €18.7, but the profit from this position is unlimited if the stock price rises. The loss is limited to €1.2: when the stock price falls below (17.5-1.2=) €16.3 the investor will lose from holding the stock but will profit from the put option.

The above example illustrates the reasoning of risk-hedging in a specific stock. If the investor's portfolio follows an index, it is natural that he will hedge risk with options on that index.

Who should invest in options

Without prejudice to the information included to the Key Information Document (KID) under the provisions of Regulation 1286/2014 of 26 November 2014 of the European Parliament and of the Council on structured investment products for retail investors and insurance based investment products (PRIIPs), options are compatible with all investor categories of according to MiFID II (retail, professionals, eligible counterparties) and address to investors with knowledge in complex financial instruments and a minimum of one year experience in trading on the said instruments or an experience of at least three transactions within the course of a year who aim at gaining high returns or at hedging risk.

Options are easily liquidized.

They are not disposed to clients who expect a full capital protection or who do not wish to suffer capital loss.

In any case, the investor shall, prior to conducting any transaction, study and comprehend the KID which is granted in case of retail investors. The information herein is indicative and does not include information on special features of each instrument which are presented in detail in the KID.

11.7 Over-The-Counter (OTC) Derivatives

Derivatives not traded in regulated markets are called off-exchange or over-the-counter (OTC) derivatives. In their simpler form, they are similar to their exchange-traded counterparts, perhaps with different expiration dates or strike prices. In these products, such characteristics are usually adapted so as to better accommodate investors' needs. For example, when options are traded over-the-counter, they may have a great variety of characteristics and are often called exotic options, in contrast to the simple calls and puts that are often described as non-complex. Over-the-counter transactions are subject to the rules provided in the agreements/contracts between the contracting parties. The development of OTC products was mainly occasioned by the need of adjusting the characteristics of the derivatives to match client needs. The most common OTC derivative types are forwards, options, swaps and contracts for differences (CFDs).

Forwards

Forwards are the OTC counterpart of futures. They are bilateral contracts which relate to the purchase/sale of a specified quantity of a security at a specified future time at a specified price.

- ✓ As a financial instrument, a forward contract has the convenient characteristic of being a fully customizable product, meeting each specific client's requirements; thus a forward agreement does not have a specific fixed framework as to contract amount, maturity, safety margin, daily clearance, etc. as is the case with futures. Upon initiating the contract, the price of the forward contract is calculated based on the future price of the underlying instrument. The forward contact entails a clearance obligation only at expiration of the contract period, i.e. it does not involve the exchange of any sum upon initiating the contract or during its course, as is the case with futures. Thus, entering a forward contract has no cost, since the agreed price, also called the delivery price, is equal to the future price, discharged at the time the contract is concluded.

Forwards can be grouped in several different categories, based on the underlying instrument:

- ✓ <u>Index forwards:</u> A forward contract of which the underlying instrument is an index (stock index, commodity index, etc.). The cash flows on the expiration date of the contract depend on the difference between the price of the index on the expiration date and the predetermined strike price of this index.
- ✓ <u>Equity forwards:</u> A contract for the purchase/sale of an individual stock or a stock portfolio at a future date and at a guaranteed price.
- ✓ <u>Bond forwards:</u> A forward contract between two parties to buy or sell a bond at a certain future time for a certain price agreed today.
- ✓ <u>Forward rate agreement (FRA):</u> A forward contract that allows an investor to hedge interest rate risk over a specific time period in future. The underlying instrument is a benchmark interest rate, e.g. EURIBOR or LIBOR, associated with a defined nominal amount. The investor agrees to lend/borrow the amount at a specified interest rate level for the respective time period. At the maturity of an FRA there is a cash settlement, i.e. the investor

receives/pays the amount corresponding to the difference between the market interest rate level and the rate specified in the contract.

- ✓ Commodity forwards: A forward contract between two parties to buy or sell a commodity (gold, corn, etc.) at a certain future time and at a certain price agreed today.
- ✓ Currency forwards: A forward contract traded in international foreign exchange markets that locks-in at the parity at which an investor can buy or sell the currency at a future date. It is also known as "outright forward currency transaction", "forward outright" or "FX forward". Moreover, in currency forward contracts the contract holders must buy or sell the currency at a specified price, at a specified quantity and on a specified future date.

Flexible forwards: A particular type of forward contract, which allows for a "partial execution of strategy" (open execution), thus providing cash flexibility to investors wishing to hedge against the associated risk type.

It is noted that investments in forwards contain the risk of a partial or complete loss of the invested capital.

Who should invest in forwards:

Without prejudice to the information included to the Key Information Document (KID) under the provisions of Regulation 1286/2014 of 26 November 2014 of the European Parliament and of the Council on structured investment products for retail investors and insurance based investment products (PRIIPs), forwards are compatible with all investor categories according to MiFID II (retail, professionals, eligible counterparties) and address to investors knowledge in complex financial instruments and with a minimum of one year experience in trading on the said instruments or an experience of at least three transactions within the course of a year who aim at gaining high returns or at risk hedging.

It is noted that, market access is provided exclusively through the Bank's Treasury.

They are not disposed to clients who expect a full capital protection or who do not wish to suffer capital loss.

In any case, the investor shall, prior to conducting any transaction, study and comprehend the KID which is granted in case of retail investors. The information herein is indicative and does not include information on special features of each instrument which are presented in detail in the KID.

Over-The-Counter (OTC) Options

OTCs are option contracts which are not traded in regulated markets such as a derivative exchanges, mainly due to their complex structure, as in the case of exotic options. OTC options may involve a variety of underlying assets, including currencies, interest rates, equities and commodities, offering protection (hedging) regarding the relevant risk type.

Some common types of OTCs and complex options are defined below:

- ✓ Dual currency option: An option on two underlying currencies which provides to the buyer of the contract (investor with a long position) the flexibility to select the currency based on which the transaction will be cleared.
- ✓ Interest rate cap/floor/collar: An option on a market interest rate, such as EURIBOR or LIBOR, which provides to the buyer of the contract (investor with a long position) protection from a rise (cap), fall (floor) or both (collar) in the level of the underlying interest rate.
- ✓ Swaption: An option which provides to the buyer of the contract (investor with a long position) the right to buy (payer swaption) or sell (receiver swaption) an underlying swap which is effective at the swaption's expiration date and matures at a subsequent date. Both physical and cash settlement are possible at expiry; in the first case the investor enters into a swap agreement, while in the case of a cash settlement he receives the net present value of the underlying swap.

- ✓ Warrant: An equity option which is issued directly by the respective entity (firm) instead of by an exchange market as in the case of standard equity options. The most typical case of a warrant is the right, granted to shareholders, to participate in new equity issues.
- ✓ Binary or digital option: An option which is settled in cash and does not feature an ordinary option payoff; therefore, the payoff does not depend on the difference between the strike and the market price of the underlying asset as in the case of standard (vanilla) options. The main types of binary options are cash-or-nothing and assets-or-nothing, where either a specified cash amount/asset is paid (in case of exercising the option) or no payment takes place (the option is not exercised).
- ✓ Asian option, or average price/rate option: An option of which the payoff depends on the difference between the strike price and the average of the underlying asset's market price observed during a defined time period. Due to lower volatility, the premium of an Asian option is lower than that of a standard option with the same features (underlying asset, maturity and strike price), so that the cost of hedging the associated risk may be significantly reduced.
- ✓ Barrier option: An option requiring an additional condition with respect to exercise it, beyond the fact that the underlying instrument must have a higher/lower (call/put) price than the strike price (moneyness). Specifically, in order for the option to be exercised it is not sufficient that it have a positive internal value at maturity but must also have reached (knock-in option) or not (knock-out option) a specific level (barrier or trigger level). These option types are distinguished into European- and American-type barrier options, depending on whether this additional condition applies only at maturity (European type) or during the whole time period to maturity (American type). As in the case of Asian options, barrier options are useful hedging instruments, though with a lower cost than standard options with the same features (because the existence of a barrier reduces the likelihood of the option being exercised).

It is noted that investments in over the counter options carry the risk of a partial or complete loss of the invested capital.

Who should invest in OTC options:

Without prejudice to the information included to the Key Information Document (KID) under the provisions of Regulation 1286/2014 of 26 November 2014 of the European Parliament and of the Council on structured investment products for retail investors and insurance based investment products (PRIIPs), over the counter options are compatible with all investor categories of according to MiFID II (retail, professionals, eligible counterparties) and address to investors who have knowledge in complex financial instruments and a minimum of one year experience regarding the said instruments or an experience of at least three transactions within the course of a year who aim at gaining high returns or at hedging risk.

It is noted that, market access is provided exclusively through the Bank's Treasury.

They are not disposed to clients who wish a full capital protection or who do not wish to suffer capital loss.

In any case, the investor shall, prior to conducting any transaction, study and comprehend the KID which is granted in case of retail investors. The information herein is indicative and does not include information on special features of each instrument which are presented in detail in the KID.

Swaps

A swap is defined as an agreement between two counterparties, whereby cash flows are exchanged. The swap cash flows are based on a predetermined nominal amount in a specific currency and are exchanged at predetermined periodic dates until the maturity date of the contract. At the start, the value of the swap agreement is zero.

Swaps are non-exchange traded instruments. They are mainly used for hedging, speculation or arbitrage purposes.

Swaps are grouped into several categories according to their common characteristics:

- Interest Rate Swaps (IRS): An interest rate swap is an agreement between two counterparties which involves exchanging cash flows generated by different interest rates. One stream of future interest payments is exchanged for another based on a specified and predetermined nominal amount. The most common case is the "plain vanilla" swap, when a fixed rate is paid against the receipt of a floating interest rate in the same currency. Interest rate swaps are used for hedging against the interest rate risks that the parties face in their activities.
- Cross Currency Swaps (CRS): A cross-currency swap, like the interest rate swap, is a commitment to exchange cash flows associated with a nominal amount settled at specified settlement dates, but in different currencies. Moreover, in most cases a floating rate is exchanged with another floating rate. Currency swaps include an exchange of funds at the initiation of the swap and re-exchange at maturity. The use of cross currency swaps helps the counterparties hedge against the risk derived from sharp fluctuations in the exchange rate.
- Commodity Swaps: A commodity swap is an exchange contract, where the cash flows exchanged depend on the price of an underlying commodity or on the return of indices on commodities. There are two main types of commodity swaps. The counterparties can either exchange fixed for floating payments based on a commodity price index, or payments, where one payment is based on a commodity price index and the other on a money market rate. Commodity swaps are used to hedge against the risk arising from volatility in commodity prices.
- Freight Rate Swaps: Swaps, of which the payment is based on freight rate indices for transporting goods by sea. A freight rate is the price at which a certain cargo (freight) is delivered from one point to another. The price depends on the type of cargo, the mode of transport (truck, ship, aircraft), the weight of the cargo, and distance to the delivery destination. Freight rate swaps are an important risk management tool for the energy industry.

Some of the products offered by the Bank and included in the Interest Rate Swaps category are the following:

- Floating to Fixed Interest Rate Swap: An interest rate swap where a stream of fixed interest payments is exchanged for cash flows based on a floating rate, such Libor or Euribor, on a predetermined nominal amount scheme.
- Forward Starting Interest Rate Swap: Also known as deferred start swap, it is an agreement to enter into an IRS at some future time. It is created through combining two swaps of different duration, in order to meet an investor's requirements within a specific timeframe. Forward swaps do not entail any up-front costs but oblige the counterparties to enter into the swap agreement.
- Variable Swap: An IRS which obtains a fixed interest payment lower than that of the ordinary ("plain vanilla") interest rate swap. It hedges against interest rate increases up to a certain maximum limit. This can be achieved with the use of interest rate options (caps/floors). If the benchmark interest rate rises above the limit, the seller of the swap pays the benchmark floating rate.
- In Arrears Swap: An interest rate swap in which the floating rate payment is based on the interest rate at the end of the period. Payment is made at the end of the period, eliminating the period between setting the amount and paying it.
- Quanto Swap: A quanto swap is a swap with various combinations of features from interest-rate, currency and equity/commodity swaps, where payments are based on the movement of the interest rates in two different countries. It is also known as "diff", or differential swap. There are two main types of quanto swap: the fixed-for-floating quanto swap, set up by fixing concurrently both the exchange rate and the interest rate and allowing an investor to minimize foreign exchange risk; and the floating-for-floating swap, which carries a slightly higher risk because each party is exposed to the spread between the currency interest rates of each country.

- ✓ Range Accrual Swap: An interest rate swap, where the payoff is based on a benchmark rate (e.g. LIBOR), limited to a particular range of interest rate prices.
- ✓ Cancellable Swap: Also referred as a collapsible swap, it is a swap where one party to the contract (or occasionally both parties) has the right to cancel the swap under certain circumstances. Ordinarily, the rates exchanged in the swap will reflect the value of the cancellation option. Typical examples of cancellable swaps are callable swaps and puttable swaps.
- ✓ Floating-to-Floating or Basis Swap: An interest rate swap, where a floating interest rate is paid against the receipt of another floating interest rate, in the same currency, on a predetermined nominal amount scheme.

It is noted that investments in over the counter swaps carry the risk of a partial or complete loss of the invested capital.

Who should invest in swaps:

Without prejudice to the information included to the Key Information Document (KID) under the provisions of Regulation 1286/2014 of 26 November 2014 of the European Parliament and of the Council on structured investment products for retail investors and insurance based investment products (PRIIPs), over the counter swaps are compatible with all investor categories according to MiFID II (retail, professionals, eligible counterparties) and address to investors who have knowledge in complex financial instruments and a minimum of one year experience in trading on the said instruments or an experience of at least three transactions within the course of a year who aim at gaining high returns or at hedging risk.

It is noted that, market access is provided exclusively through the Bank's Treasury.

They are not disposed to clients who wish capital full capital protection or who do not wish to suffer capital loss.

In any case, the investor shall, prior to conducting any transaction, study and comprehend the KID which is granted in case of retail investors. The information herein is indicative and does not include information on special features of each instrument which are presented in detail in the KID.

Contracts for Differences (CFDs)

These are off-exchange (over-the-counter) derivative contracts whereby the Bank pays to the Client, or vice-versa, the positive or negative difference, respectively, deriving from the fluctuation of the value of the underlying asset, without physical delivery or transfer of the underlying asset (cash settlement). Contracts for Differences (CFDs) can be set up with reference to a broad range of underlying instruments such as indices, equities, currencies, commodities, etc. CFDs are highly leveraged instruments, enabling investors to open a position on the above underlying instruments while being required to pay only a very small percentage (margin) of the total value of their position. This latter feature is common to the futures market, though CFD margins are lower than futures margins, so contributing to the high-leverage element of these contracts.

In the table below there are examples of the profit or loss that can be made from the value of an investor's portfolio following a corresponding rise or drop in the share price. Assuming that the investor expects the price of a share to rise, he buys, for example, 4,000 CFDs in share A at a price of EUR 10 per CFD. His position is then (4,000 x EUR 10=) EUR 40,000. The amount that the investor will be called upon to pay will be equal to the margin required by the bank. If the margin is 5%, the investor must deposit (EUR 40,000 x 5%=) EUR 2,000. The return for the investor on his initial deposit depends on the rise or fall of the share price. If the price of share A declines by 5% (from EUR 10 to EUR 9.5) and leverage is at 20, then the total loss of the margin is equal to 100% of the initial deposit, i.e. the loss is EUR 2,000. If the price falls by 10% (from

EUR 10 to EUR 9) and leverage is at 20, then the loss amounts to EUR 4,000, and the investor will need to pay an additional EUR 2,000.

Price of Share A	Performance of Share A	Profit / Loss	Return on Investment
7.50 €	-25%	-10,000 €	-500%
9.00 €	-10%	-4,000 €	-200%
9.50 €	5%	-2,000 €	-100%
9.90 €	-1%	-400 €	-20%
10.00 €	0%	0 €	0%
10.10 €	1%	400 €	20%
10.50 €	5%	2,000 €	100%

Investment Risks associated with OTC Derivatives

OTC transactions are subject to all general investment risks, such as market risk, systemic and non-systemic risk, etc. Moreover, OTC derivatives are traded outside regulated markets and there are not cleared through a clearing house, and therefore investors are more exposed to certain types of risk, such as liquidity and counterparty risk, as well as to higher leverage.

Liquidity risk is associated with market characteristics such as depth and resilience, and the risk is that an investor may not be able to close (liquidate) an open position in an OTC derivative in due time. The more complex the structure of the respective transaction, the lower the liquidity, as indicated also by the high bid/ask spreads applied.

Counterparty risk refers to the possibility that one of the counterparties defaults before the settlement of the transaction and cannot meet its contractual obligations. Given the absence of a clearing house and of a central counterparty, this risk may be a very significant factor in most OTC derivative transactions.

Liquidity and counterparty risks are lower in the case of swap contracts, since this market has the highest liquidity among the OTC class, and in most cases a central counterparty is present.

Lower margins, or even no margins, and the absence of daily monitoring and cash settlement of the account, are factors that further increase the leverage of an OTC derivative position and allow for greater losses in comparison with transactions in regulated derivatives markets.

It is noted that investments in CFDs carry the risk of a partial or complete loss of the invested capital.

Who should invest in CFDs:

Without prejudice to the information included in the Key Information Document (KID) under the provisions of Regulation 1286/2014 of 26 November 2014 of the European Parliament and of the Council on structured investment products for retail investors and insurance based investment products (PRIIPs), CFDs are compatible with all investor categories of according to MiFID II (retail, professionals, eligible counterparties) and address to investors who have knowledge in complex financial instruments and a minimum one year experience in trading on the said instruments or an experience of at least three transactions within the course of a year who aim at gaining high returns or risk hedging.

It is noted that,, market access is provided exclusively through the Bank’s Treasury.

They are not disposed to clients who wish who wish a full capital protection or who do not wish to suffer capital loss.

In any case, the investor shall, prior to conducting any transaction, study and comprehend the KID which is provided in case of retail investors. The information herein is indicative and do not include information on special features of each instrument which are presented in detail in the KID.

12. Crediting Service For The Purchase Of Financial Instruments

12.1 Acquisition on Credit - Margin Account

Investors can invest in financial instruments paying part of the investment's nominal value. For this, the Credit Institution provides credit to the client. To secure his obligations as against the Credit Institution, the client offers financial instruments and/ or cash as a pledge. The client shall receive sufficient information so that the client can understand the risks involved in this particular ancillary service and take investment decision on a properly informed basis.. The amount actually paid is significantly less than the value of the investment, therefore the transaction is leveraged. A relatively small market shift has, respectively, large impact on the capital invested initially. This can also be to the detriment of the investor, because more funds can be lost compared to the funds placed. A sharp market fall may lead to levels that require the deposit of additional funds to the Bank..

12.2 How Leverage works

By applying leverage, an investor can create a larger portfolio using funds he has borrowed from the Credit Institution plus his own funds, than he could by using his own funds only.
The benefit derived from leverage is based on the fact that the client obtains a yield from funds he has borrowed for forming his own portfolio, thus earning more than he would if he had been using his own funds only. If he had purchased shares using his own funds only, then a 10% rise in the value of his portfolio would result in a 10% profit on his capital; if he had obtained and used a loan of the same amount his profits would have been 20% on his capital. Correspondingly, the risk in leverage is that the investor undertakes to cover the losses of the portfolio created by the additional borrowed funds, which means that if the value of his portfolio declined by 10%, then the loss if no loan had been received would be 10% profit on his capital, but if he had additionally used a loan of the same amount his loss would have been 20% on his capital. If the value of his portfolio fell by 50%, then using a loan of the same amount would lead to the loss of his initial capital.

The table below depicts profit and loss due to variations in the price of the share for an investor with a share portfolio amounting in total to EUR 10,000 of which EUR 8,000 is the capital of the investor and EUR 2,000 is the capital he borrowed from the bank (leverage amount).

Initial Value of the Portfolio	Change in Price	New Value of the Portfolio	Profit/Loss	Percentage of Profit/Loss on the Investor's Capital
10,000	50%	15,000	5,000	62.5%
10,000	40%	14,000	4,000	50%
10,000	30%	13,000	3,000	37.5%
10,000	20%	12,000	2,000	25%
10,000	10%	11,000	1,000	12.5%
10,000	0%	10,000	0	0
10,000	-10%	9,000	-1,000	-12.5%
10,000	-20%	8,000	-2,000	-25%
10,000	-30%	7,000	-3,000	-37.5%
10,000	-40%	6,000	-4,000	-50%
10,000	-50%	5,000	-5,000	-62.5%

If the same portfolio was comprised of EUR 5,000 of personal funds and EUR 5,000 of borrowed funds (leverage amount), the results would be the following:

Initial Value of the Portfolio	Change in Price	New Value of the Portfolio	Profit/Loss	Percentage of Profit/Loss on the Investor's Capital
10,000	50%	15,000	5,000	100%
10,000	40%	14,000	4,000	80%
10,000	30%	13,000	3,000	60%
10,000	20%	12,000	2,000	40%
10,000	10%	11,000	1,000	20%
10,000	0%	10,000	0	0
10,000	-10%	9,000	-1,000	-20%
10,000	-20%	8,000	-2,000	-40%
10,000	-30%	7,000	-3,000	-60%
10,000	-40%	6,000	-4,000	-80%
10,000	-50%	5,000	-5,000	-100%

12.3 Investment Risks

In addition to the risks associated with the financial instruments and their acquisition transaction, the acquisition of financial instruments on credit is subject to Leverage Risk. Furthermore, like any form of credit, the purchase of financial instruments on credit has a cost. This is the interest applied to the debit balance of the Margin Account, as well as the levy (contribution) of L.128. This interest is charged to the investor's account at the end of each quarter, but is calculated on a daily basis. This means that, as the time passes, the amount of the debt increases and the interest rates also increase. Consequently, the cost of the margin account is determined by two factors: capital and borrowing term. The Bank, depending on the money market conditions and the cost of money, has the right to adjust the interest rate.

12.4 To whom it is addressed

The service is compatible with all categories of investors under MiFID II (retail, professionals, eligible counter-parties). It is geared towards investors who have understood the risks and the mechanism of the margin account wish to earn high rates of return aiming at a capital gain of their investment
It is not available to investors who expect investment capital preservation or do not intend to lose capital.

13. Investment Risks

The historical returns of the various financial instruments do not guarantee future performance. Every investment on any financial instrument is exposed, to a degree, to all or some of the following risks:

- Market Risk: The possibility of loss due to market swings (fluctuations). For instance, an adverse movement in the price of securities, interest-rates, currencies, commodities, precious metals, etc., may lead to a reduction of the invested capital.
- Credit Risk: The possibility of loss due to a decline in the price of a financial instrument due to a downgrading of the issuer's credit rating. Credit risk also includes issuer's default risk, as described below.
- Default Risk: The risk associated with the possibility that the issuer may not be able to meet its obligations towards its creditors or shareholders.
- Interest Rate Risk: The course of interest-rates may affect government and corporate bonds as well as derivative financial instruments and products involving leverage in general.

- Volatility Risk: All financial instruments traded in regulated markets display fluctuations in price, which are usually unpredictable. Volatility is a statistical index that measures the possibility of such fluctuations. There are derivative products (such as options), the pricing of which requires a prediction to be made on future volatility. Hence, any change in the volatility forecast may result in loss for an investment in such a derivative, even if there is no change in other market variables.
- Early Redemption Risk: Some bond issues entitle the issuer to recall and redeem them before their maturity date. The risk is the possibility that the securities will be recalled at an unfavourable price for the investor.
- Liquidity Risk: In case of lack of liquidity in a market, it may not be possible to find a buyer or a seller at a given time, and so it may be difficult and/or impossible to invest or to exit from an investment. Usually, liquidity risk depends on the complexity of a financial instrument. The liquidity of a financial instrument may vary from time to time.
- Inflation Risk: The course of the Consumer Price Index affects the actual value of invested capital and anticipated returns.
- Counterparty Risk: It is the risk undertaken by both parties in a transaction that their counterparty may default in its contractual obligations. This risk is significantly reduced for transactions entered in regulated markets/stock exchanges.
- Correlation Risk: Correlation measures the extent of interrelation between the fluctuations of two or more investments. Several investment strategies are based on these interrelations and are therefore affected when correlation is unstable. In cases of sharp price swings for the underlying assets correlation tends to vary unpredictably, increasing the overall risk of the investment.
- Portfolio Management Risk: It is the risk related to the investment strategy applied or to the manager's ability to act according to best portfolio-management practices.
- Basis Risk: It arises when in two different investments, each theoretically hedged by the other, the fluctuation in one does not exactly match the reverse fluctuation in the other. The spread between them is called "basis" and the possibility of it changing is called basis risk.
- Non-Systemic Risk: This risk is caused by factors relating to one or more issuers of securities, which may affect the performance of a security included in an investor's portfolio. Non-systemic risk can be reduced through diversification of the financial instruments in which the invested capital is placed.
- Systemic Risk: Contrary to non-systemic risk, systemic risk affects the market in its entirety and is non-diversifiable. In other words, it is not related to events affecting specific securities traded in capital markets, but only to events that affect the market overall. For example, an increase in inflation affects the economy of a country and therefore all traded securities, not just those issued by specific companies.
- Foreign Exchange Risk: It is the risk originating from adverse changes in the exchange rate of the currency at which a financial instrument is valued.
- Settlement Risk: The risk of a transaction in one or more financial instruments not being cleared as agreed, either within a regulated market or not. This may happen when a party defaults in its obligations, either regarding the financial part of the transaction or the physical delivery of the securities. Even in case of a scheduled arrangement at a later time than that agreed, the investor may incur a loss from not being in possession of funds or securities and thus being unable to benefit from investment opportunities.
- Operational Risk: The possibility of economic loss resulting from inadequate or failed internal processes, human and system errors, or from external events.

- Political Risk: International developments at a political, diplomatic and military level, government elections, and specific government policies in every sector of social and economic life, affect the course of money and capital markets.
- Tax Risk: The risk that the investor will encounter a change in tax policy regarding a particular investment in a specific country, due to a change of the legislative framework. This type of risk usually has a negative impact on the return of the investment (an increase of the tax rate imposed on the returns of the investment), but can also have a positive impact (a reduction of the tax rate imposed on the returns of the investment). Tax risk is often considered part of the political risk that an investor assumes.
- Trading Systems Risk: All transactions are conducted through an electronic transactions system which performs order-routing, matching, execution and recording. Trading Systems through which transactions are entered are subject to the risk of temporary malfunction or suspension of operation. In such a case, trading transactions may be effected through other means and the respective procedures.
- Legal Risk: The terms and characteristics of the financial instruments traded in capital markets, and the manner and conditions of entering transactions thereon, may be amended by decisions of the competent bodies. The terms and procedure of clearing and settlement of transactions may also be amended by decisions of the competent bodies. Transactions governed by foreign law may expose the invested capital to additional risks. Foreign legislation may offer weaker protection to the investor than that offered by Greek law.
- Concentration Risk: It is related to the lack of diversification (see non-systemic risk above) of a portfolio of investments. An investor, who invests a large proportion of his capital in a small number of financial instruments only, is subject to the non-systemic risk related to these instruments. Diversification of capital among a large number of non-correlated investments minimizes this risk.
- Custody risk: It is the risk related to the performance of the custodian or sub-custodian (failure to act in accordance with their duties or even being declared bankrupt), i.e. the entities entrusted with the custody and management of investors' financial instruments.
- Leverage Risk: Leverage does not only increase the potential profits from an investment, but also the possible losses. In fact, in certain cases it can lead to loss of the entire invested capital.
- Premature Risk: Related to the possibility that an investment – security is redeemed at the issuer's initiative before its originally specified redemption date, and the investor is unable to find the appropriate investment conditions in the market to invest the proceeds from the redemption of his investment. Early Discharge Risk is a form of Premature Risk.
- Venue Risk: This risk is related to the specific characteristics of the market (whether regulated or not) where the financial instrument is traded or quoted.
- Dividend Risk: It refers to the risk of an incorrect valuation of a security because the original assumptions made as to the dividend (or other payments) that the security pays have changed. Other than the possibility of the issuer ceasing dividend payments (whether temporarily or permanently), important changes may also occur as to the time the dividend is paid, frequency of payments, etc. These changes may impact considerably the valuation of the security and thus the value of the investor's position.
- Nationalisation Risk: It is the risk associated with the probability that the government of a country will nationalize the company in which the investment has been made. In this case, the investor may not receive part or all of the total capital he had invested in that company.
- Company Dissolution Risk: The term refers to the possibility of the dissolution of a company. This may be a result of the deterioration of the economic situation of a company, and can be effected either by decision of the General Meeting of the company's shareholders or by court

decision. When a company is dissolved, the investor may not receive all or even part of the capital originally invested in that company.

13.1 Financial instruments subject to the resolution regime under L.4335/2015 (Directive 2014/59/EU)

1. Introduction

Directive 2014/59/EU (‘‘BRRD’’) which was incorporated into Greek Law 4335/2015 under article 2 (incorporation of directive 2014/59/EU, EU L 173) grands the resolution authorities (the Bank of Greece or the Hellenic Capital Market Commission where appropriate) the authority to exercise and implement resolution powers and instruments for failing credit or other institutions provided for in the Directive.

Alternatively to the government bail-out, the resolution of failing credit institutions is a new approach which may have significant impact on investors, since it is likely to affect financial instruments issued by credit institutions (for instance shares, bonds etc.) that are not secured by sufficient assets or other collaterals or are not subject to special protection under BRRD. Consequently, investors who have invested in the said financial instruments issued by failing credit institutions or entities, are likely to suffer a complete or partial loss of their investments under resolution, since they will not be able to count on government bail-out for the failing credit institutions.

2. Relevant risks

In view of the above, some of the risks related to financial instruments which are subject to the resolution regime and their disposition to the clients, are outlined below:

a) Credit Risk / Counterparty Risk. This risk relates to the solvency of the credit institution and is likely to enhance due to the possible lack of clear indications as to the time of the intervention by the resolution authorities and the investors’ failure to understand the regime and the resolution function as well as the investment loss risk, particularly in relation tothe risk of losing the investment under insolvency events outside resolution framework.
b) Liquidity Risk. The lack of a government bail-out and the possibility of subjecting these financial instruments in a resolution regime makes them more vulnerable to market pressure conditions. In addition, in case where there is no sufficient liquidity in these financial instruments to the secondary market, it will be even more difficult for investors to distinguish and react to various indications regarding credit institutions financial situation.
c) Concentration Risk. Considering that these financial instruments are disposed by credit institutions as well as by investment firms that have manufactured and dispose them to their clients (self-placement) the risk of insufficient diversification of the investment portfolio consisting of these kind of products may enhance.

3. Financial Instruments

Financial instruments which are subject to the resolution regime are all unsecured financial instruments issued by an institution or an entity subject to BRRD. Such are the following cases:

(a) institutions that are established in the Union;
(b) financial institutions that are established in the Union when the financial institution is a subsidiary of a credit institution or investment firm,
(c) financial holding companies, mixed financial holding companies and mixed-activity holding companies that are established in the Union;

(d) parent financial holding companies in a Member State, Union parent financial holding companies, parent mixed financial holding companies in a Member State, Union parent mixed financial holding companies;

Financial instruments are considered to be the unsecured financial instruments which are issued by the aforesaid institutions and entities and which are subject to MiFID II, like indicatively shares, bonds etc.

4. Possible impact on investors

The impact on investors in the event of a resolution depends significantly on their position in the creditor ranking order, which may change due to the prioritization of the depositors. For instance, in case of investing in bonds offering limited security, it is likely, depending on the implemented resolution tool or in case where bonds/title are deleted or converted, that the investors find themselves in a less favorable position than the holders of titles offering high security. Moreover, holders of unsecured financial instruments will be in a less favorable position in comparison to depositors whose deposits are eligible for protection by the Deposit Guarantee Scheme.

Besides, the extent of the potential loss of an investor significantly depends on the total number of the claims that are listed in the same or lower ranking order than the investor’s claim.

Particularly:

a) In the case of resolution:
(i) the invested or/and owned amount may be lost or the assets may be transformed into common shares or other securities for the purposes of stabilizing and absorbing loses
(ii) Any transfer of assets to a transitional institution or any sale of assets is likely to limit the capability of the institution to fulfill its financial obligations
(iii) The maturity of the instruments or their interest rate are likely to change and payments are likely to be suspended for a certain period of time
b) The liquidity of the secondary market for any unsecured debt instruments is likely to be vulnerable to market fluctuations
c) in case of a financial insolvency of the issuer, existing liquidity mechanisms (such as repos by the issuer-institution) may prove insufficient to protect investors from liquidizing the said instruments for a significantly lower price than the initial invested amount
d) Creditors maintain the right to compensation in case their treatment under resolution regime is less favorable than the treatment under bankruptcy regime according to general provisions. Compensation payment, if any, may be significantly delayed in relation to the contractual payments (in the same way that a delay in the recovery of the value is possible in the event of insolvency).

14. Summary of Conflict of Interest Policy

Introduction

According to the current MiFID II regulatory and legislative framework, Credit Institutions and Investment Firms are required to institute and implement a Conflict of Interest Policy.

Purpose

The purpose of this section is to set out the basic principles of the policy and procedures concerning the prevention and handling of conflict of interest observed by the Bank.

Policy

In accordance with the requirements of MiFID II, the Bank has adopted a policy for identifying and managing conflict of interest in relation to the investment and ancillary services and the investment activities (as such terms are defined in MiFID II) offered to clients by or on behalf of the Bank.

This Policy concerns the handling of cases of conflict of interest, the control of data flows and the rules about investment transactions entered into by staff members. Conflict of interest may arise between various entities, including Subsidiaries of the Bank, Board of Directors, managers, employees and affiliated agents, or any person directly or indirectly linked to the Bank by a relationship of control, and their clients or between clients, that arise in the course of providing any investment and ancillary services, or combinations thereof, including those caused by the receipt of inducements from third parties or by the Banks's own remuneration and other incentive structures.

The Bank implements this policy in a way that respects the principles of market transparency and integrity, and takes sufficient steps in order to:

(a) identify, with reference to the specific investment services and activities and ancillary services carried out by or on behalf of the Bank, the circumstances which constitute or may give rise to a conflict of interest entailing a risk of damage to the interests of one or more clients;
(b) specify procedures to be followed and measures to be adopted in order to prevent or manage such conflicts.

The procedures and measures included in the conflict of interest policy shall be designed to ensure that relevant persons engaged in different business activities involving a conflict of interest which interests may damage the interests of one or more clients, carry out those activities at a level of independence appropriate to the size and activities of the Bank and of the group to which it belongs, and to the risk of damage to the interests of clients.

<u>Conflicts of interest potentially detrimental to a client</u>

For the purposes of identifying the types of conflict of interest that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, the Bank shall take into account, by way of minimum criteria, whether the investment firm or a relevant person, or a person directly or indirectly linked by control to the Bank, is in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

(a) the Bank or that person is likely to make a financial gain or avoid a financial loss, at the expense of the client;
(b) the Bank 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;
(c) the Bank 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;
(d) the Bank or that person carries on the same business as the client;
(e) the Bank 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.

Organisational, administrative arrangements and control systems and procedures to identify and prevent or manage conflicts of interest

The Bank shall have in place systems, controls and procedures to identify and prevent or manage conflicts of interest that arise in relation to investment and ancillary services or a combination thereof, which may impact the Bank's clients' interests.

14.1 General Principles

Conflicts of interest are regulated only when an investment or ancillary service is provided by the Bank.

The Bank pays special attention to activities such as investment research and advice, dealing on own account,portfolio management and corporate finance business including underwriting or selling in an offering of securities and advising on mergers and acquisitions. In particular, such special attention is appropriate where the Bank or a directly or indirectly linked by control to the Bank performs a combination of two or more of those activities.

For the purposes of identifying conflict of interest, that arise in the course of providing investment and ancillary services or a combination thereof and whose existence may damage the interests of a client, the Bank takes into account the actual facts and whether the investment firm or a relevant person or a person directly or indirectly linked by control to the firm, is in any of the following situations:

- is likely to make a financial gain or avoid a financial loss at the client's expense
- is likely to have 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;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- carries on the same services as the client
- the Bank or that person receives or is about to receive from a person other than the client an inducement (monetary or others) in relation to a service provided to the client, other than the ordinary commissions or charges

14.2. Conflict of interests in relation to the manufacture of financial instruments

The Bank maintains and implements procedures and measures in order to ensure that the manufacturing of financial instruments complies with the requirements for the fair management of conflicts of interests, including remuneration policies. More precisely, the Bank ensures that the structure of the financial instrument including its characteristics, shall not negatively affect the end clients and shall not lead to problems in terms of market integrity, allowing the Bank to share the same risks or exposure in the underlying assets of the product, where the Bank already maintains the underlying assets on own account.

14.3. Conflict of interests in relation to remunerations

The Bank implements a remuneration policy taking into account the interests of all its clients, in order to ensure that clients are treated fairly and their interests are not harmed by remuneration practices that are implemented by the Bank for a short, medium or long term.

The policies and remuneration practices are designed in a way that they shall not create conflict of interest or incentive which may lead the respective persons to favor their own interests or the Bank's interests at the client's expense.

The Bank ensures that its policies and remuneration practices are implemented to all relevant persons that affect, directly or indirectly, the investment and ancillary services provided by the Bank or its behavior, regardless of the client's category, to the extent that the remuneration of these persons and similar incentives may create a conflict of interests that encourages them to act against the clients of the Bank's.

A balance between fixed and variable remuneration is maintained at all times; excessive risk-taking is restricted and not encouraged and; is ensured that the structure of the remunerations does not favor the Bank's interests or its relevant persons at the expense of the interests of any client.

14.4 Conflict of interests in relation to the execution of orders

The Bank shall not receive any remuneration, discount or non-monetary benefit for the purpose of addressing clients orders to a specific trading venue or execution venue against its conflict of interests or remuneration obligations.

14.5 Conflict of interests in relation to investment research

The Bank adopts measures and arrangements for the management of conflicts of interests which may arise from the production and dissemination of material that is presented as investment research that are suitable to protect the objectivity and independence of the financial analysts and of the investment research they produce. Those measures and arrangements ensure that financial analysts enjoy an adequate degree of independence from the interests of persons whose responsibilities or business interests may reasonably be considered to conflict with the interests of the persons to whom the investment research is disseminated .

14.6 Conflict of interest in relation to the underwriting and placing of financial instruments

Given the specialties of the underwriting and placing services and the potential for conflicts of interests arising in relation to such services, detailed and tailored requirements shall be defined. In particular, such requirements ensure that the underwriting and placing process is managed in a way which respects the interests of different actors. The Bank ensures that its own interests or interests of its clients do not improperly influence the quality of services provided to the issuer client. The Bank implements effective organizational requirements in order to ensure that mandate to manage the offering shall not lead to favour the Bank's interest over the interests of the issuer client, or favour the interests of one investor over the interests of another client. or group of clients interests.

The Bank shall not accept any third-party payments or benefits unless such payments or benefits comply with the inducements requirements laid down in MiFID II.

14.7 Lending or provision of credit (within the context of underwriting or placing of financial instruments)

In cases where any previous lending or credit to the issuer client by the Bank may be repaid with the proceeds of an issue, the Bank shall have arrangements in place to identify and prevent or manage conflicts of interests which may arise as a result. In case, where the arrangements taken to manage conflicts of interest prove insufficient to ensure that the risk of damage to the issuer client would be prevented, the Bank shall disclose to the issuer client the specific conflicts of interest that have arisen in relation to its activities in a capacity of credit provider and their activities related to the securities offering.

14.8 Conflict of interest in relation to advice, distribution, self-placement

The Bank maintains systems, controls and procedures to identify and manage the conflicts of interest which arise from the provision of investment services to a client to participate in a new issue, where the Bank receives commissions, fees or any other monetary or non-monetary benefits in relation to to arranging the issuance.

14.9 Pricing of offerings in relation to issuance of financial instruments

The Bank shall have in place systems, controls and procedures to identify and prevent or manage conflicts of interest that arise in relation to possible under-pricing or over-pricing of an issue or involvement of relevant parties in the process.

14.10 Identification and Management of conflicts of interests

Where conflicts of interests are identified, they are treated immediately and fairly. The following minimum standards are taken into account and implemented within the context of improvement of the organisational structures, procedures and when approving access for users:

- All business units and legal entities operate independently within the Bank's framework. When appointing supervisors, the Bank takes into consideration the need for independency of the supervised units The Bank's administrative and operational structures ensure that the research produced is independent for the purposes of investment services, both in respect to the issuers and the business units that relate to the issuers in any way.
- Information flow between units where conflicts of interests are likely to arise that may be detrimental to a client is controlled (Procedure for managing Chinese Walls)
- Chinese Walls are applied between business units that are likely to give rise to a conflict of interests for clients. A physical separation of business units is maintained, where the needless disclosure and use of inside information in a way that may harm the market's integrity and the clients' interests, is prohibited.
- Procedures are in place to identify and prevent conflicts of interest in relation to consulting or credit services and activities (Procedure for managing conflicts of interests when providing investment services).
- Procedures are in place for managing and executing clients orders, which have (Order Execution Policy) priority over orders on own account.
- Procedures are recorded and applied for the transactions carried out by members of the stuff (Regulation for the conduction of transactions by members of the staff)
- A special clause in investment services outsourcing contracts is provided, according to which the business to which the activity is entrusted has to keep a record of personal transactions of its covered persons which is at the disposal of the Bank
- Remuneration policy prevents any connection of the remuneration of the covered persons who perform an investment activity and the revenues or benefits which other covered persons performing a different activity may gain.
- A record is kept of all the Bank's services and activities where a conflict of interests has been identified
- Efficient procedures are in place for identifying and preventing conflicts of interests in relation to the issuance of financial instruments (Procedure for managing conflicts of interests when providing investment services).

Where the Bank's organizational or administrative arrangements are not sufficient to ensure, and effectively prevent the conflict of interst risk, the Bank will either decline to act or, where confidentiality considerations permit, will disclose the general nature and/or sources of conflict of interest to the client or potential client before undertaking business on their behalf, in order to enable them to reach an informed decision on whether the client shall engage any transaction/activity with the Bank.

14.11 Measures to ensure independency

The Bank implements the following procedures and measures in order to ensure the requisite degree of independence:

- effective procedures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients;
- the separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the firm;
- the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities;
- measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out investment or ancillary services or activities;
- measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities where such involvement may impair the proper management of conflicts of interest.

14.12 Management of clients orders

The clients orders are executed and prioritized over orders related to dealing own account. All clients orders are recorded and kept in time order. Data proving best execution are included.

14.13 Record keeping

Every business unit in the Bank keeps and regularly updates a record for every investment or ancillary service or activity carried out by the Bank or on behalf of the Bank and during which a conflict of interest has arisen and thus may harm the interests of one or more clients or, in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. All relevant facts are analyzed.

14.14 Reporting to client

Where the organizational or administrative regulations implemented by the Bank, in order to prevent the negative impact of the conflicts of interest in the clients' interests are not sufficient to ensure with reasonable determination that the risks of damage to the interests of the client will be prevented, the Bank reports to the client in durable medium a specific description of the conflicts of interests that arise in the provision of the investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made.

It is highlighted that the said report consists a measure of last resort. Overreliance on disclosure is not allowed unless there is a sufficient estimation of the methods used to manage and prevent conflicts.

14.15 Reports

The Bank makes public, for each class of financial instruments, the top five execution venues in terms of trading volumes where it executed client orders in the preceding year and information on the quality of execution obtained. The report shall include description of any close links, conflicts of interest and common proprietorship with the trading venues used for the execution of the orders.

14.16 Policy Review

The Bank evaluates and reviews periodically, at least on an annual basis, the policy hereof and undertakes all appropriate measures for overcoming any failures.

14.17 Additional Information
Additional details about the Bank's Conflict of Interest Policy are available upon request.

15. Summary of Order Execution Policy

Scope
In the context of handling and executing client orders in financial instruments, the Bank has established and applies an Order Execution Policy (henceforth, "the Policy"). The Policy sets out the basic principles that must be observed in order to ensure that the Bank achieves the best possible result when it handles and executes orders on behalf of its clients.

The Policy applies to orders by Private and Professional clients (please refer to the Client Classification Section 4), when the Bank executes orders on behalf of clients and/or receives and transmits client orders to a third party for execution. It is also applied when the Bank executes decisions to enter into transactions/trading and/or when it sends/transmits orders to a third party deriving from decisions by the Bank to enter into transactions/trading in financial instruments on behalf of client portfolios in the context of providing portfolio management services.

Obligation to Execute Orders under the MiFID II framework
When the Bank executes an order on behalf of a Private or Professional client, it takes all reasonable measures to obtain the best possible result, taking into account price, costs, speed, likelihood of execution and clearance of the order, size, nature, or any other consideration relevant to the execution of the order. It is noted that where the client has provided specific instructions, the Bank executes the order according to such instructions.

In order to determine the relative weight of the above factors, the Bank takes into account the particulars of the clients (including the client’s classification as a Private or a Professional Client), the features of the client’s order, including cases of SFTs, the features of the financial instruments involved, and the characteristics of the venues in which the order will likely be executed.

In most cases, the Bank will consider price as the most important of these factors for obtaining the best possible result. However, there may be circumstances for particular clients, financial instruments or markets, where other factors, such as speed and certainty of execution, may prove to be much more important. Under these terms, best execution is expected to be achieved on a consistent basis, but this does not mean that it can be achieved for every order.

In the case of Private Clients, the best possible result is determined in terms of the total consideration for the transaction, representing the price of the financial instrument and the costs borne by the client and related to execution, which include all expenses directly related to the execution of the order, such as venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

When providing best execution to Professional Clients, the Bank is not required to consider the overall costs of the transaction as being the most important factor in achieving best execution.

Best execution obligations shall apply to all financial instruments, whether traded on trading venues or over-the-counter.

The Bank shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue. The calculation method of the remunerations-commissions is being disclosed to the client prior to the execution of the transaction through the pricing policy on the Bank’s website, in the applications for the purchase of products, in the application for the redemption/sale of products as well as in the contract signed between the client and the Bank.

Information on Order Execution Policy

The Bank shall monitor on a regular basis the effectiveness of the policy established and assess the execution quality of the entities identified in that policy. The Bank ensures that the design and review process of policies is appropriate and takes into account new products and services offered by the Bank. In addition, the Bank examines whether the execution policy is correctly applied as well as whether the client instructions and preferences are effectively passed along the execution process (entire execution chain).
The Bank shall be able to demonstrate to its clients, upon their request, that it has executed orders in accordance with the execution policy of the Bank.
Where a client makes reasonable and proportionate requests for information about its policies or arrangements and how they are reviewed to the Bank, the Bank shall answer clearly and within a reasonable time.

The Bank shall notify clients with whom it has a lasting client relationship through its website and at the points of sale for any substantial change in the arrangements and the order execution policy it follows.

Client order handling

The Bank has established rules for handling client orders, which provide for the prompt, fair and expeditious execution of client orders, relative to other client orders or orders the trading interests of the Bank. These rules enforce the execution of otherwise comparable client orders in accordance with the time of their reception by the Bank (following the method of FIFO- First In, First Out).

The Bank shall satisfy the following conditions when carrying out client orders:
(a) ensure that orders executed on behalf of clients are promptly and accurately recorded and allocated;
(b) carry out otherwise comparable client orders sequentially and promptly unless the characteristics of the order or prevailing market conditions make this impracticable, or the interests of the client require otherwise; [Client orders are not otherwise considered comparable if they are received by different means and cannot be processed in the order they are received]
(c) inform a retail client about any material difficulty relevant to the proper carrying out of orders promptly upon becoming aware of the difficulty.

Limit order

In the case of a client limit order in respect of shares admitted to trading on a regulated market or traded on a trading venue which are not immediately executed under prevailing market conditions, the Bank, unless the client expressly instructs otherwise, takes measures to facilitate the earliest possible execution of that order by making public immediately that client limit order in a manner which is easily accessible to other market participants without prejudice to the Article 4 of Regulation (EU) No 600/2014 which provides that the competent authorities may waive the obligation to make public a limit order that is large in scale compared with normal market size. The Bank may comply with that obligation by transmitting the client limit order to a trading venue.

Specific Instructions

Whenever there is an order with specific instructions from the client, the Bank will execute the order following the client's specific instructions. This however, may prevent the Bank from following the rules set in the Order Execution Policy, so as to obtain the best possible result on behalf of its client.
Where the Bank executes an order following specific instructions from the client, the Bank satisfies the best execution obligations in respect to the part or aspect of the order to which the client instructions relate.

Policy of Aggregation and allocation of orders

1. The Bank shall not carry out a client order or a transaction for own account in aggregation with another client order unless the following conditions are met:
(a) it is unlikely that the aggregation of orders and transactions will work overall to the disadvantage of any client whose order is to be aggregated;
(b) it is disclosed to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;
(c) an order allocation policy is established and effectively implemented, providing for the fair allocation of aggregated orders and transactions, including how the volume and price of orders determines allocations and the treatment of partial executions.

Where the Bank aggregates an order with one or more other client orders and the aggregated order is partially executed, it shall allocate the related trades in accordance with its order allocation policy.

Where the Bank has aggregated transactions for own account with one or more client orders it shall not allocate the related trades in a way that is detrimental to a client. Where the Bank aggregates a client order with a transaction for own account and the aggregated order is partially executed, it shall allocate the related trades to the client in priority to the firm.
Where the Bank would not have been able to carry out the order on such advantageous terms, or at all, it may allocate the transaction for own account proportionally, in accordance with its order allocation policy.

Venues

For the purposes of this section, ‘execution venue’ includes a regulated market, an MTF, an OTF, a systematic internalize, or a market maker or other liquidity provider or an entity that performs a similar function in a third country to the functions performed by any of the foregoing.

The Bank may select a single entity for execution only if it is able to show that this allows the Bank to obtain the best possible result for its clients on a consistent basis. The Bank may also select a single entity, where it can reasonably expect that the selected entity will enable the Bank to obtain results for clients that are at least as good as the results that it reasonably could expect from using alternative entities for execution. When applying the criteria for best execution for professional clients, the Bank shall not use the same execution venues for securities financing transactions (SFTs) and other transactions. Therefore, the choice of execution venues for SFTs is more limited than in the case of other transactions,

For the purposes of delivering best possible result, where there is more than one competing venue to execute an order for a financial instrument, in order to assess and compare the results for the client that would be achieved by executing the order on each of the execution venues listed in the investment firm’s order execution policy that is capable of executing that order, the Bank’ s own commissions and the costs for executing the order on each of the eligible execution venues shall be taken into account in that assessment. The Bank shall not receive any remuneration, discount or non-monetary benefit for routing client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements. The Bank shall not structure or charge its commissions in a way which discriminates unfairly between execution venues. Where the bank applies different fees depending on the execution venue, the Bank shall explain these differences in sufficient detail in order to allow the client to understand the advantages and the disadvantages of the choice of a single execution venue.
Where the Bank invites clients to choose an execution venue, fair, clear and not misleading information shall be provided to prevent the client from choosing one execution venue rather than another on the sole basis of the price policy applied by the Bank. Information on the calculation method of fees and commissions is provided to the client prior to the execution of the transaction

through the pricing policy included in the information documents, on the Bank's website, in the applications for the purchase of products, in the application for the redemption/sale of products as well as in the contract signed between the client and the Bank.

The quality of execution, which includes aspects such as the speed and likelihood of execution (fill rate) and the availability and incidence of price improvement, is an important factor in the delivery of best execution. Availability, comparability and consolidation of data related to execution quality provided by the various execution venues is crucial in enabling the Bank to identify those execution venues that deliver the highest quality of execution for their clients. In order to obtain best execution result for a client, the Bank compares and analyses relevant data including that have been made public.

The Bank has access to a variety of different venues for execution of orders either directly or via third parties. In this way, the Bank is able to handle on an ongoing basis client orders on financial instruments traded in domestic and international markets

For the purposes of delivering best execution and because there may be more than one venues for the execution of an order on a financial instrument, the Bank's first choice will be to execute the order in the market in which it is a member. The second choice is to execute the order in the market in which the Bank is a remote member. The third choice is to transmit the order to a third party. In order to comply with the legal obligation of best execution, the Bank, when applying the criteria for best execution for professional clients, will typically not use the same execution venues for securities financing transactions (SFTs) and other transactions. This is because the SFTs are used as a source of funding subject to a commitment that the borrower will return equivalent securities on a future date and the terms of SFTs are typically defined bilaterally between the counterparties ahead of the execution. Therefore, the choice of execution venues for SFTs is more limited than in the case of other transactions, given that it depends on the particular terms defined in advance between the counterparties and on whether there is a specific demand on those execution venues for the financial instruments involved. The Bank summarises and makes public the top five execution venues in terms of trading volumes where SFTs were executed, in a separate report, so as to conduct qualitative assessment of the orders flow in these execution venues. Due to the special nature of SFTs, and considering that their large volume may distort the represented sum of all clients' transactions (hence transactions that do not include SFTs), it is necessary that they are excluded from the tables concerning the first five execution venues in which the Bank executes other client orders.
Orders in financial instruments traded in regulated markets or MTF or OTF where the Bank is a member or a remote member are executed through the Bank. In respect to orders in financial instruments traded on regulated markets or MTF or OTF where the Bank is not a member or a remote member, the orders are executed through third parties.

As described above, the Bank may transmit a client's order to a third party or any subsidiary company. The Bank ensures that such third parties have established equivalent Order Execution Policies and deliver best execution on a continuous basis. Specifically, the Bank evaluates the Order Execution Policies of third parties and performs controls to determine in practice, whether the relevant entities execute the orders of the Bank's clients orders in accordance with the best execution.
The Bank accepts orders concerning transactions executed outside regulated markets or MTFs or OTFs e.g. transactions in bonds, forwards, OTC options, swaps and structured products. For such transactions, the two counterparties (client-Bank) come to a mutual agreement regarding the transaction price. In these cases, the Bank executes the client's orders according to his instructions (including the price of the financial instruments involved in the transaction).

In respect to orders in bonds, the Bank acts as counterparty of the client at all times and, therefore, the Department of Treasury & Capital Markets of the Bank is the sole execution venue for the said orders. The execution of orders in bonds is based on a bilateral price agreement between the Bank and the client.

Regarding the purchase or sale of shares in mutual funds offered by mutual fund management companies, the Bank transmits client orders for execution to the respective mutual fund management firms.

The Bank has established rules for handling client orders, which provide for the prompt, fair and expeditious execution of client orders, relative to other client orders or orders placed on the Bank's own account. These rules enforce the execution of otherwise comparable client orders based on the time at which they are received by the Bank.

Orders concerning financial instruments traded on the Athens Exchange and the Cyprus Stock Exchange are executed through the Bank. In the case of financial instruments traded on foreign exchanges, the Bank transmits the orders to third parties.

Client orders in units of Collective Investment Entities are divided into two categories UCITS shares that are not traded on regulated markets or Multilateral Trading Facility, in which case they are executed Over The Counter (OTC), and UCITS shares that are traded and are executed on regulated markets or Multilateral Trading Mechanisms (MTFs). The latter are known as Exchange Traded Funds (ETFs), and transactions ETFs are subject to the same record-keeping requirements that apply for orders executed within regulated markets or MTFs.

Client orders related to UCITS shares that are not traded on regulated markets or MTFs are distinguished from those received before the cut-off time set by the respective Mutual Fund and from those received after the cut off time during the day. We note that cut off time is usually different for each Mutual Fund / Foreign House. The Bank uses a specific system in which it introduces the orders in respect of foreign UCITS shares.

The orders (subscription / redemption / transfer requests) received from the clients before the cut off time set by the respective Mutual Fund are entered into the respective system before the cut off time and shall be executed with the NAV value of the same day, which shall be calculated at the end of the day or the next business day. The orders received by the clients after the cut-off time set by the respective Mutual Fund are entered into the relevant system the next day (before the next day's cut off time) and will be executed with the next NAV value day.

Following the execution of the orders and after the Bank receives the necessary information from the Mutual Funds Management Company (AEDAK) / Foreign Funds, it is obliged to prepare and send confirmations to clients of executing orders indicating the execution date and value (NAV) of the orders. In this way clients shall be informed and shall be able to confirm that their orders have been executed on the correct day and price. Confirmations of orders execution should also be kept in files.

The Bank may execute client orders in a venue that is not a regulated market or an MTF or an OTF under MiFID II. When the relevant financial instruments are listed in a regulated market or an MTF or an OTF, the Bank will not execute orders outside a regulated market or an MTF or an OTF unless it has obtained the client's prior express consent or in the context of a general agreement or for specific transactions.
When executing orders or taking decision to deal in OTC products including bespoke products, the investment firm shall check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product and, where possible, by comparing with similar or comparable products.

It is particularly noted that OTC transactions are subject to all general investment risks, such as market risk, systemic and non-systemic risk etc. Moreover, taking in to account that transcaction carried out outside regulated markets and they are not cleared by a clearing House, the investors are also subject to liquidity risk and counterparty risk.

The Bank may provide upon the client's request supplementary information regarding the repercussions of the specific mean of execution.

The following apply to transactions in bonds:

• Orders for transactions in traded bonds listed on the Athens Stock Exchange or the Cyprus Stock Exchange are executed directly by the Bank on the relevant market, excluding Greek government bonds that may be executed over the counter by the Bank on the basis of a specific client instruction.

• Orders for transactions in bonds not listed on the Athens Exchange or the Cyprus Stock Exchange are executed over the counter with the counterparty by the Bank on the basis of a specific client instruction or transmitted for execution to third parties.

Over-the-counter execution of orders in bonds is based on bilateral price agreements between the Bank and the client. In that case the Section "Specific Instructions" is applied and the Bank is under no obligation of delivering best execution.

A list of the venues to which the Bank has access is given in Annex C and at the Bank's website. When a client uses the Bank's Direct Market Access (DMA) services, he has the ability to define all parameters and strategies for execution of his order. In these cases, the execution of the order is not covered by the Bank's best execution obligation.

In cases when as a result of a system failure or otherwise the Bank has no alternative but to execute an order using a method other than the one prescribed in the Best Execution Policy, the Bank will endeavour to execute the order in the best possible manner on behalf of the client.

Obligations upon reception and transmission of orders

Subject to any specific instructions received from the client, when (i) the Bank transmits client orders to third parties for execution upon providing the services of receiving and transmitting orders; or when (ii) the Bank sends/transmits orders to third parties that derive from decisions by the Bank to enter into transactions/trading in financial instruments on a client's behalf (when providing portfolio management services to the client), the Bank is under the obligation to take all sufficient steps to obtain the best possible outcome for the client. Therefore, it will either determine the ultimate venue for the execution of client orders based on its order execution policy as described herein and then give specific instructions to the third party/affiliate and/or will ascertain that the third party/affiliate has arrangements in place that will enable it to comply with the above obligation towards the client. If the Bank transmits the order to other dealers/affiliates, it will monitor the standards of performance they deliver.

The Bank will assess on a regular basis the extent to which the brokers and dealers to whom it transmits orders allow the Bank to comply with its above obligation.

Information on execution venues

Where the Bank executes clients' orders, it shall summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained.
Information on the top five execution venues are provided separately for retail clients and professional clients respectively, so as to allow a qualitative assessment of the order flow in these execution venues. In addition, the Bank publishes separately the top five execution venues in terms of trading volumes where SFTs were executed per each category of financial instruments according to Annex I of MiFID II.

Where the Bank transmits orders to be executed by third parties (f.i. brokers) it shall publish a separate list which mentions the first five brokers that executed the said orders.

The publication shall exclude orders in Securities Financing Transactions (SFTs) and shall contain the following information:

(a) class of financial instruments;
(b) venue name and identifier;
(c) volume of client orders executed on that execution venue expressed as a percentage of total executed volume;
(d) number of client orders executed on that execution venue expressed as a percentage of total executed orders;
(e) percentage of the executed orders referred to in point (d) that were passive and aggressive orders;
(f) percentage of orders referred to in point (d) that were directed orders;
(g) confirmation of whether it has executed an average of less than one trade per business day in the previous year in that class of financial instruments.

Execution Cost

The Bank shall not be held accountable for executing orders for which it is not responsible, in which case the Bank shall disclose the percentage of orders executed in each of the first five execution venues where the choice of venue has been determined by clients.

The costs associated with execution include all expenses incurred by the client and which are directly related to the execution of the order, including, in addition to the commission of the Bank agreed with the client, the fees received, the execution venue, clearing and settlement fees, and all other fees paid to third parties involved in the execution of the order. The Bank does not structure or charge its commissions in such a manner as to allow unfair discrimination between execution venues.

When executing orders or taking a decision to deal with Over The Counter products, including special products, the Bank shall check the fairness of the price proposed to the client by collecting market data used to calculate the price of the product in question and, wherever possible, by comparing it with similar or comparable products.

The Bank shall receive payments by third parties only when they comply with Article 24 of MiFID II (General principles and client information) and shall inform clients on the Bank's eventual consideration from the execution venues. The information shall identify the fees charged by the Bank to all counterparties participating in the transaction and, where the fees vary according to the client, the information shall indicate the maximum fees or range of fees that may be charged.

In case that the Bank charges more than one participant in a transaction, in accordance with Article 24 MiFID II and its implementing measures, the Bank shall inform its clients about the value of any monetary or non-monetary benefits received by the Bank.

Information to clients

<u>Information prior to the service provision</u>
The Bank shall provide clients with the following details on their execution policy in good time prior to the provision of the service:
(a) an account of the relative importance the Bank assigns, in accordance with the factors referred to in Article 27(1) of Directive 2014/65/EU, or the process by which the Bank determines the relative importance of those factors.
(b) a list of the execution venues on which the Bank places significant reliance in meeting its obligation to take all reasonable steps to obtain on a consistent basis the best possible result for

the execution of client orders and specifying which execution venues are used for each class of financial instruments, for retail client orders, professional client orders and SFTs;
(c) a list of factors used to select an execution venue, including qualitative factors such as clearing schemes, circuit breakers, scheduled actions, or any other relevant consideration, and the relative importance of each factor; The information about the factors used to select an execution venue for execution shall be consistent with the controls used by the Bank to demonstrate to clients that best execution has been achieved in a consistent basis when reviewing the adequacy of its policy and arrangements;
(d) how the execution factors of price costs, speed, likelihood of execution and any other relevant factors are considered as part of all sufficient steps to obtain the best possible result for the client;
(e) where applicable, information that the firm executes orders outside a trading venue, the consequences, for example counterparty risk arising from execution outside a trading venue, and upon client request, additional information about the consequences of this means of execution;
(f) a clear and prominent warning that any specific instructions from a client may prevent the Bank from taking the steps that it has designed and implemented in its execution policy to obtain the best possible result for the execution of those orders in respect of the elements covered by those instructions;
(g) a summary of the selection process for execution venues, execution strategies employed, the procedures and process used to analyse the quality of execution obtained and how the Bank monitors and verifies that the best possible results were obtained for clients.
That information shall be provided in a durable medium, or by means of a website (where that does not constitute a durable medium).

<u>Information on the quality of execution</u>

The Bank makes available to the public, without any charges, data relating to the quality of execution of transactions on that venue on at least an annual basis and that following execution of a transaction on behalf of a client the investment firm shall inform the client where the order was executed. Periodic reports shall include details about price, costs, speed and likelihood of execution for individual financial instruments.

The Bank shall publish the top five execution venues in terms of trading volumes for all executed client orders in SFTs for class of financial instruments referred to in Annex I of MiFID II.

The Bank shall publish for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year. The information shall include:
(a) an explanation of the relative importance the Bank gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution;
(b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;
(c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;
(d) an explanation of the factors that led to a change in the list of execution venues listed in the Bank's execution policy, if such a change occurred;
(e) an explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements;
(f) an explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client;

(g) an explanation of how the Bank has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575;
(h) where applicable, an explanation of how the Bank has used output of a consolidated tape provider established under Article 65 of MiFID II.
The aforementioned information is given separately for each category of financial instruments. However, the capability of sharing information on a single basis in cases where the said information is common for many or all categories of financial instruments is provided.

Information in relation to Order Execution Policy

The Bank provides appropriate information to its clients on their order execution policy. That information shall explain clearly, in sufficient detail and in a way that can be easily understood by clients, how orders will be executed by the Bank for the client. The Bank shall obtain the prior consent of their clients to the order execution policy.
Where the order execution policy provides for the possibility that client orders may be executed outside a trading venue, the Bank shall, in particular, inform its clients about that possibility. The Bank shall obtain the prior express consent of its clients before proceeding to execute their orders outside a trading venue. The Bank may obtain such consent either in the form of a general agreement or in respect of individual transactions.

Where the Bank has an ongoing relationship with the client, the Bank shall provide information to client through its website and sale points on any material change of the arrangements and the applied execution policy.

Provision of information ex ante

Where the Bank has an ongoing relationship with the client, the Bank shall provide regular and ex ante information during the year. Ex ante information on all charges is provided on an personalized basis. The *ex-post* periodic disclosure may be made by building on existing reporting obligations, such as obligations for the Bank to provide execution of orders other than portfolio management, portfolio management or holding client financial instruments or funds.

Information in relation to executing orders other than discretionary asset management

The Bank having carried out an order on behalf of a client, other than for portfolio management, shall, in respect of that order:
(a) promptly provide the client, in a durable medium, with the essential information concerning the execution of that order;
(b) send a notice to the client in a durable medium confirming execution of the order as soon as possible and no later than the first business day following execution or, where the confirmation is received by the Bank from a third party, no later than the first business day following receipt of the confirmation from the third party.
Point (b) shall not apply where the confirmation would contain the same information as a confirmation that is to be promptly dispatched to the client by another person.
Points (a) and (b) shall not apply where orders executed on behalf of clients relate to bonds funding mortgage loan agreements with the said clients, in which case the report on the transaction shall be made at the same time as the terms of the mortgage loan are communicated, but no later than one month after the execution of the order.

The notice shall contain the following information:
(a) the Bank's identification;
(b) the name or other designation of the client;
(c) the trading day;
(d) the trading time;
(e) the type of the order;
(f) the venue identification;

(g) the instrument identification;
(h) the buy/sell indicator;
(i) the nature of the order if other than buy/sell;
(j) the quantity;
(k) the unit price;
(l) the total consideration;
(m) a total sum of the commissions and expenses charged and, where the client so requests, an itemised breakdown including, where relevant, the amount of any mark-up or mark-down imposed where the transaction was executed by an investment firm when dealing on own account, and the investment firm owes a duty of best execution to the client;
(n) the rate of exchange obtained where the transaction involves a conversion of currency;
(o) the client's responsibilities in relation to the settlement of the transaction, including the time limit for payment or delivery as well as the appropriate account details where these details and responsibilities have not previously been notified to the client;
(p) where the client's counterparty was the Bank itself or any person in the Bank's group or another client of the Bank, the fact that this was the case unless the order was executed through a trading system that facilitates anonymous trading.
For the purposes of point (k), where the order is executed in tranches, the Bank may supply the client with information about the price of each tranche or the average price. Where the average price is provided, the Bank shall supply the client with information about the price of each tranche upon request.

Recordkeeping

The Bank shall keep records through which it shall be able to prove that clients orders are managed by priority and that best execution price is achieved for those orders that are indeed executed. Recordkeeping differs depending on the class of the financial instrument that consists the object of transaction and on the execution venue of the transaction.
The Bank is bound to keep records related to telephonic conversations or electronic communications according to the Policy on recording conversations and electronic communications.
The records are provided to the client involved upon request and they shall be kept for five years unless otherwise demanded by the competent authority.

Consent
When the Bank executes orders on behalf of clients or decisions to enter into transactions/trading on behalf of a client in the context of providing portfolio management services, the Bank is required to obtain the clients' prior consent to the Best Execution Policy. Clients will be deemed to have given such consent when they give an order at any time after they have received information from the Bank on said Policy.

Review
The Bank assesses and reviews the effectiveness of the Best Execution Policy on an annual basis or whenever there has occurred a material change that affects the Banks' ability to obtain the best possible outcome for its clients, such as cost, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.
The Bank reviews on a regular basis whether execution venues included in the policy herein achieve best possible result for clients or whether any changes in the order execution rules shall be made, taking into account, inter alia, the published information.

Non-MiFID Activities
The Bank's Best Execution Policy and its obligations thereunder will not be applied as to any business or activity that it is possible for it to undertake with clients and that does not come under MiFID's scope of application.
The obligation to take all reasonable measures towards attaining the best possible outcome for the Bank's clients, applies, as noted above, only to the extent required by applicable law.

16. Annexes

Annex A.

Types of Order for Transactions on Listed Financial Instruments

Purchase/sale orders for financial instruments must specify several terms, such as the type of financial instrument, number of units, price, etc. The types of permissible orders may vary depending on trading venue.

With respect to price, the order may be (indicatively):

- Market Order: A buy or sell order that states the desired quantity of units of the financial instrument but does not specify a maximum (for buy orders) or minimum (for sell orders) price limit at which the investor wishes to conclude the transaction. If sufficient reverse orders are available, this order is executed immediately at the current market price.
- Limit Order: A buy or sell order that states the desired quantity of units of the financial instrument and specifies a minimum (for sell orders) or maximum (for buy orders) price limit at which the investor wishes to conclude the transaction.
- Stop Order: An open buy or sell order which is only activated when the price of the financial instrument exceeds a particular point, thus ensuring a greater probability of achieving a predetermined entry/exit price and limiting an investor's losses or locking-in his profit. If a stop order is entered with the aim of limiting an investor's losses, it is often called a "Stop Loss Order".
- Stop Limit Order: A limit order to buy or sell a security that is only activated when its price crosses a particular point, thus combining the features of a stop order and a limit order.
- At the Open Order: An order entered without a specific price, by the method set by the stock exchange for determining opening price, stating the investor's willingness to enter a transaction at the opening price.
- At the Close Order: An order entered without a specific price, stating the investor's willingness to enter a transaction at the closing price.

Concerning the duration of the order, the following are indicative order types:

- Good for Day: Orders that, expect if they are cancelled or executed, remain active up to the end of the session on the trading day they were entered.
- Good till date: Orders that, expect if they are cancelled or executed, remain active up to the date set as their expiration date.
- Good till cancelled: Orders that, expect if they are cancelled or executed or cease applying according to their terms, remain active without any limitation as to duration, for as long as their price remains within the permitted maximum and minimum limit of the price of the financial instrument they concern.

Some orders entail a condition (e.g. an additional term) which must be met in order for its execution to be allowed. Such a condition may be a stop condition (described above as a stop order) or a "Fill or Kill" condition, which requires the execution of the order in its entirety or else its cancellation.

ANNEX B.

Definitions and Terminology

American Options: Options that may be exercised at any time prior to their designated expiration.
At The Money (ATMs): Options of which the strike price is equal (or approximately equal) to the price of the underlying asset.
Bear Spread: An option strategy where the investor buys a put option at a high strike price while concurrently selling another put option at a lower strike price, aiming at a specific downward movement of the market.
Bull Spread: An option strategy where the investor buys a call option at a low strike price while concurrently selling another call option at a higher strike price, aiming at a specific upward movement of the market.
Call Option: Entails the buyer's option, but not the obligation, to buy the underlying asset at a specific future time, at a predetermined price. In order to buy the contract, the option buyer must pay the agreed premium to the option seller.
Dividend Payments: That part of corporate earnings that is paid out to shareholders.
European Options: Options that may only be exercised at their expiration date.
Exchange-Traded Derivatives: This type of derivative has the advantage of being cleared by a central entity and having greater liquidity due to their specific features, notably specific dates of expiration, specific strike prices and specific underlying assets.
Execution of orders on behalf of clients: Means action towards completing sale or buy transactions in one or more financial instruments on behalf of clients.
Venue: A regulated market or Multilateral Trading Facility (MTF), a systemic internaliser, a special trader, another liquidity provider or an entity undertaking any of the above functions in a third country.
Expiration Date: The expiration date of an option or a futures contract.
Final Cash Settlement: The procedure for clearing a derivative (such as a futures or an option contract) in cash rather than by delivering the underlying asset.
Final Settlement Price: The price of the underlying asset, based on which the final clearance is made. The terms of the derivative determine the authority, exchange, etc. that are responsible for the procedure of calculating and announcing such price.
Financial Instruments: Financial Instruments include transferable securities, money-market instruments, units in collective investment undertakings, options, futures, swaps, forward rate agreements, and any other derivative contract linked to securities, currencies, interest rates or yields, or other derivative instruments, financial indices or financial measures or commodities, derivative instruments for the transfer of credit risk and financial contracts for differences. In Greek legislation the term is defined under, Law 4514/2018.
In The Money (ITM): An option that is worth exercising. Specifically, a call option is in the money when the strike price is lower than the spot price of the underlying asset, and a put option is in the money when the strike price is higher than the spot price of the underlying asset.
Intrinsic Value: Regarding call options, intrinsic value is the difference between the spot price of the underlying instrument minus the strike price of the option. If the strike price is higher than the spot price, then intrinsic value is nil. In put options, the intrinsic value is defined as the difference between the strike price of the option minus the spot price of the underlying instrument. If the difference is negative, then the intrinsic value of the option is nil.
Multilateral Trading Facility (MTF): A multilateral system, operated by an Investment Service Provider, a credit institution or a market operator, where many third-party interests in buying and selling financial instruments are brought, within the system, in accordance with rules that do not admit of discretionary powers, and in a manner that results in the conclusion of a contract as per the related provisions of Directive 2014/65/EK of the European Parliament and the Council concerning markets for financial instruments and the laws instituted towards complying with that Directive .
Multiplier: The multiplier of a derivative linked to an index is the factor used to translate index points to cash amounts. For example, a multiplier of 5 Euro/point indicates that a derivative traded at 15 index points costs 75 Euro for the buyer.
Option Exercise: The procedure whereby the buyer exercises an option.

Out of The Money (OTM): An option that is not worth exercising. Specifically, a call option is out of the money when the strike price of the option is higher than the spot price of the underlying asset, and a put option is out of the money when the strike price is lower than the spot price of the underlying asset.
Over The Counter (OTC) Derivatives: Contrary to exchange traded derivatives, the terms of OTCs are agreed between two parties, the buyer and the seller of the contract. In addition to carrying counterparty credit risk, these products are usually harder to have valuated and redeemed.
Payoff: The cash amount received by the holder of an option or other derivative product at its expiration date.
Physical Delivery: The procedure for clearing a derivative (e.g. a futures or an option contract) by physical delivery of the agreed quantity of the underlying asset against cash settlement at the price specified in the contract.
Premium: The price paid by the buyer or received by the seller in respect of a transaction in options.
Put Option: An option that entails the buyer's right, but not the obligation, to sell the underlying asset at a specific future time and at a predetermined price.
Regulated Market: A multilateral system, operated or managed by a market operator, allowing or facilitating the meeting of many third-party interests in buying and selling financial instruments, within the system, in accordance with rules that do not admit of discretionary powers, and in a manner that results in the conclusion of a contract on financial instruments listed for trading, which [the multilateral system] has obtained an operating permit in a member-state and operates normally, as per the provisions of MiFID.
Spot: When referring to a derivative product, the current price of the underlying security.
Straddle: An option strategy based on volatility, where the investor buys or sells a call option and a put option with the same underlying asset, the same strike price and the same expiration date.
Strangle: An option strategy based on volatility, where the investor buys or sells a call option and a put option with the same underlying asset, the same expiration date, but different strike prices.
Strike Price / Exercise Price: The price at which the call option holder can buy or the put option holder can sell the underlying asset.
Time Value: The difference between the price of an option and its intrinsic value.
Investment Firm: A legal entity operating based on an operating permit issued by the competent regulatory authority and providing one or more investment services to third parties and/or undertaking one or more investment activities on a professional basis.
Transactions for security financing: Lending or borrowing shares or other financial instruments, repurchase transactions, reverse repurchase transactions, buy-sell-back or sell-buy-back transactions.
Member-State: A member-state of the European Union and/or the European Economic Area (EEA).

ANNEX C.

Venues

I. Transactions in Equities, Bonds and Negotiable Mutual Funds

VENUES (STOCK MARKETS)	COUNTRY IN WHICH TRANSACTIONS ARE EXECUTED
Athens Exchange Securities Market	Greece
Athens Exchange Alternative Market (MTF)	Greece
Cyprus Stock Exchange	Cyprus
Emerging Companies Market (ECM) of the Cyprus Stock Exchange (MTF)	Cyprus

II. Transactions in Derivative Products

VENUES (STOCK MARKETS)	COUNTRY IN WHICH TRANSACTIONS ARE EXECUTED
Athens Exchange (ADEX)	Greece

III. Transactions in Mutual Funds (UCITS)
Collaborating Foreign Mutual Fund Management Agencies

Schroders Investment Management
Pictet
Franklin Templeton
Blackrock

IV. Transactions with Optima bank S.A. as a Counterparty

Product Type	Counterparty
Bonds	Optima bank S.A.
Structured Products	Optima bank S.A.
Foreign Currency Derivatives	Optima bank S.A.
Commodities and Emissions allowances Derivatives	Optima bank S.A.

ANNEX D.

Cooperating foreign Brokers for access to international markets

NAME	PRODUCT
Banca Acros	Shares, Bonds and Negotiable Mutual Funds
Bank De Groof	Shares, Bonds and Negotiable Mutual Funds
BGC PARTNERS	Shares, Bonds and Negotiable Mutual Funds
CONVERGEX	Shares, Bonds and Negotiable Mutual Funds
CM CIC	Shares, Bonds and Negotiable Mutual Funds
Equinet	Shares, Bonds and Negotiable Mutual Funds
IS Investment	Shares, Bonds and Negotiable Mutual Funds
Instinet	Shares, Bonds and Negotiable Mutual Funds
Interactive Brokers LLC	Shares, Bonds, Negotiable Mutual Funds and Derivative Products
SNS Securities	Shares, Bonds and Negotiable Mutual Funds
ED&F Man Capital Markets	Derivative Products
Freight Investor Services Limited	Derivative Products

ANNEX E.

Cooperating foreign Houses for External Asset Management Service

Credit Suisse	All financial instruments
U.B.S.	All financial instruments

ANNEX F.

Investment Banking Services

The Bank is ranked among the top firms in mergers and acquisitions, equity raising, underwriting and debt financing.

The Bank's Investment Banking Division provides the following investment and related services coming under the scope of MiFID:

Investment Services and Activities

- Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- Placing of financial instruments without a firm commitment basis

Ancillary Services

- Advice to companies on capital structure, business strategy and related matters, and on mergers and acquisitions
- Underwriting services

The Investment Banking Division offers a full range of integrated investment banking products, combining in-depth knowledge of the sector and of local and international markets with the distinguished professional experience of its officers in executing corporate actions and investment banking transactions.

The Bank offers creative investment banking services adapted to the requirements of its clients, such as:

- Mergers & Acquisitions
- Capital restructuring
- Buyouts
- Preparing business plans, valuations, "fairness opinion" reports and Purchase Price Allocation (PPA) reports
- Advisory services to public undertakings
- Advisory services on privatisations
- Access to strategic and institutional investors
- IPOs
- Convertible Bonds
- Tender Offers
- New equity issues, block trades, issue of Convertible Bonded Loans (Secondary Offerings)
- Private Placements

Mergers and Acquisitions

The Bank's Investment Banking Division knows well the local markets and has considerable experience in all business sectors, enabling its clients to achieve their strategic aims.

The Investment Banking Division offers advisory services to firms on issues related to capital structure, business strategy, mergers and acquisitions. The Bank's services range from strategic planning toexecuting transactions. In particular, the officers of the Investment Banking Division are highly skilled and specialised in:

- Identifying potential acquisition targets

One of the core activities of the Investment Banking Division is locating companies that would serve as appropriate acquisition targets for its clients, based on the special requirements of its clients and the objectives they wish to attain through the acquisition. Similarly, the officers of the Investment Banking Division try to locate companies that would be interested in buying part or even all of the share capital of the Division's clients-companies.

- Advisory Services on Balance-Sheet Optimisation

  The Investment Banking Division offers advice on the structure of a company's balance sheet, i.e. it provides advice to its clients as to the type of funds they should use in order to expand and as to the level of leverage they should assume in order to maximize the benefits derived therefrom, taking always into consideration the risks inherent in a high-leveraged capital structure.

- Business Portfolio Assessment

  The officers of the Investment Banking Division assess the reliability of the balance-sheet of companies that are acquisition targets or in which the client has significant interest. In addition, they analyse the risks and opportunities that may arise from each component (e.g. business entity) of the portfolio separately and from the portfolio overall.

- Buy-Side Advisory Services

  Buy-side (acquisition) services deliver significant results for the Division's clients, helping them understand and apply a corporate growth strategy through acquisitions. The officers of the Investment Banking Division lend particular emphasis to the targets and capabilities of their clients, in order to provide the best possible information and guidelines relating to companies that may serve as good acquisition targets in the context of an acquisition strategy.

- Corporate Governance Advisory Services

  The officers of the Investment Banking Division provide advice to their clients regarding corporate governance. Corporate governance is a set of processes, customs, policies and legislation affecting the way a company is administered and controlled. Corporate governance also determines the framework of relationships between major shareholders, management executives and members of the board of directors, and other shareholders, as well as employees, clients, creditors, suppliers and regulatory authorities.

- Advisory Services of Dividend Policy

  The officers of the Investment Banking Division provide advice to their clients concerning the most appropriate dividend policy. Companies must apply a dividend policy serving two parallel objectives: shareholder satisfaction and capital retention.

- Dual Track Sale Procedures

  A procedure whereby the seller (mainly the company's major shareholders) considers both a trade sale and a Public Offering. The method that will yield the higher value will be selected before the required notification to the competent regulatory authorities. That is to say, the officers of the Investment Banking Division prepare the required documentation for conducting a Public Offering while also examining the option of a private placement.

- Valuations

  The officers of Investment Banking Division conduct a valuation of the target company using the most appropriate, depending on the company's characteristics, from among a range of valuation methods. The most common are the following:

  - Asset Valuation
  - Historical Earnings Valuation
  - Future Maintainable Earnings Valuation
  - Relative Valuation (comparable company and comparable transaction)
  - Discounted Cash Flow Method

  Feasibility studies also come within the scope of Valuation services.

- Advisory Services on Financing

  The Bank's staff offer a broad range of financing options to their clients for making acquisitions and/or investing additional funds towards expanding their business (please refer to the "Capital Market Services" and "Finance Services" sections below).

- Sell-Side Services

  The Investment Banking Division provides advisory services to clients wishing to sell all or part of their holdings in a company. Further, the Bank's officers conduct surveys for locating potential buyers and report the results to their clients.

- Corporate Strategy and Reorganisation Services

  The officers of the Investment Banking Division provide advice to companies on capital structure, business strategy and similar issues. These services include the preparation of Business Plans and Capital Restructuring Proposals.

Capital Market Services

The Bank's specialists in capital market issues respond promptly to their clients' requirements, suggesting innovative solutions adapted to their needs. Upon executing an IPO, a debt offering or a leveraged acquisition, the officers of the Investment Banking Division combine their experience in sales and transactions with specialist knowledge in financing advice services, towards delivering to their clients effective and innovative solutions.

The Bank offers equity and composite equity products and services, including (indicatively):

- Equity-Linked (Convertible Bonds)

  Convertible bonds entitle investors to convert them into securities of the same issuer, usually equities. The conversion option can be exercised at specified future dates, and the conversion ratio is determined according to a predefined procedure.

- Initial Public Offering (IPO)

  A main pre-requisite for the listing of a company's shares in a regulated market is that the shares of the company are distributed among a minimum number of investors. To meet this condition, candidate companies assign to underwriters (Banks / Investment Firms) the process of the initial public offering of a set amount of their shares to institutional and private investors. The terms of the IPO (number of shares to be listed, number of shares offered in the IPO, maximum number of shares that investors can apply for, range of share price, etc.) are described in the prospectus for the IPO, which is approved by the regulatory authorities.

- Private Placements (raising capital from non-listed companies)

  A private placement is the sale of securities to a relatively small number of investors, usually institutional investors such as Banks, Mutual Funds, Portfolio Management Firms, Insurance Firms and Pension Funds. Private placements usually comprise the sale of common or deferred stock or other forms of stockholding in a company, rights or promissory notes (including convertible promissory notes). A company's decision to proceed with a private placement is taken by the Board of Directors, and it must also be approved by the General Meeting of Shareholders.

- Secondary Offerings (New Equity Issues, block trades, issue of Convertible Bonded Loans)

  The issuance of new stock for public sale by a company that has already realised an IPO. This type of public offering is usually made by companies wishing to refinance or raise additional capital for growth. It is also a way for a company to increase outstanding stock and spread market capitalization (the company's value) over a greater number of shares. Secondary offerings, in which new shares are issued and sold, dilute the ownership position of existing shareholders in the company's capital. The offerings are made in several ways, such as rights issue, convertible bond issue, or by the "block trades" procedure.

  "Block trades" are large stock trades between institutional investors at a fixed price. They are very useful to analysts for assessing where institutional investors are pricing a stock. These prices indicate the price at which major shareholders are willing to sell their shares. Moreover, unlike large public offerings, for which the necessary documentation can often take months to prepare, block trades are realised directly and are completed within a brief timeframe.

  The new equity issue (capital increase) is effected either by issuing rights or not. Capital increase by issuing rights is a special form of self-offer or self-subscription. With the issue of rights, existing shareholders can buy a specified number of new shares in the company at a specified price and within a specified timeframe. Capital Increase without issuing rights requires existing shareholders to relinquish their preference rights in favour of the company's employees or institutional/strategic investors.

  Convertible bonds entitle the investors to convert them into other securities of the same issuer, usually equities. The conversion option can be exercised at specified future dates and the conversion ratio is determined according to a predefined procedure.

- Tender Offers

  A public offer to buy a block of stock in a company, usually a controlling share, within a specified timeframe and at a predetermined price.

In the context of providing the above services, the officers of the Investment Banking Division undertake further tasks, such as:

- Planning policy and strategy regarding the issue
- Preparing a Prospectus/Offering Memorandum
- Assignment and co-ordination of legal and financial due diligence
- Co-ordination and participation in the underwriting structure of the offering
- Co-ordination of the marketing policy
- Preparation of necessary documents and data, and contacts with regulated markets and the competent regulatory authorities.

Finance Services

The Investment Banking Division has great expertise in bonds, project finance and leveraged finance, allowing the Bank to provide to its clients a full range of products and services in finance/debt market services.

Specifically, the officers of the Investment Banking Division possess the required experience and skills to structure and complete a broad range of complex transactions and products in the following sectors:

- Structured Finance

- Hybrid Securities (Convertible Bonds, Exchangeable Bonds)

  Securities that combine characteristics of two or more financial instruments, usually shares and debt instruments. They often have a distant maturity date or no maturity date, but they can be recalled by their issuer. They often pay dividends at regular intervals but their issuers may postpone or even skip certain dividend payments (as in the case of preferred stock). In the secondary market, Hybrid Notes generally operate as fixed income products.

- Structured Notes

  Structured bonds are bonds of which the yield and/or repayment of the initial capital at maturity are not predetermined but depend on certain underlying securities, indices or other factors.

- Project Finance
  - Syndicated loans and/or capital market services

    A "syndicate" (consortium) is the collaboration of two or more companies, entities or governments (or any combination thereof) with the aim of participating jointly in an activity or raising capital jointly with the aim of attaining a common target (e.g. a project). These loans, known as "syndicated loans", are offered by a syndicate of banks and are repaid in their entirety from the cash flows generated by the project.

- Leveraged Finance
  - Leveraged finance services generate, structure and provide financing both to the firms wishing to enter the transaction and the providers of the capital (Sponsors).

    The most frequent type of leveraged finance is a leveraged buyout. A leveraged buyout (or LBO, or highly-leveraged transaction) occurs when a company/individual acquires a controlling interest in a company's equity, with a significant percentage of the purchase price being financed through borrowing. The assets of the acquired company (and sometimes the assets of the acquiring company too) are used as collateral for the borrowed funds. The bonds or other securities issued for leveraged buyouts are commonly considered as being of less than investment grade because of the significant risks involved.

The above descriptions of transactions/services do not constitute investment advice based on the personal circumstances of the Client. The Client is acting on his own account, having made his own independent investment decisions about participating in the transaction/service, based on his own judgment and the advice of consultants about whether the specific Transaction/Service is appropriate for him.

ANNEX G.

Notification of Inducements

Without prejudice to information provided herein regarding Inducements (indicatively under 3.6 above), the following is specifically noted regarding Inducements that the Bank may receive from or pay to third parties:

1. The Bank, acting as an intermediary/distributor for Mutual Funds of associated Undertakings for the Collective Investment of Transferable Securities (UCITS), receives from the above entities Service Fees against providing portfolio updates, maintenance and valuation services on an ad hoc basis to clients who are also shareholders in the Mutual Funds managed by the specific UCITS. The service fees are calculated as (a) a percentage rate of the daily average net value of the portfolio of units in Mutual Funds of foreign UCITS held by its clients, for as long as the clients' investment in the specific Mutual Funds continues; and (b) a percentage rate of the daily average net value of the portfolio of units in Mutual Funds managed by domestic Mutual Fund Management Companies, calculated for the entire period for which the clients' investment in the specific Mutual Funds continues. These fees are collected from clients by the UCITS as part of the total fees and commissions payable, are different each time and for each Mutual Fund, are listed in the respective prospectus of the Mutual Funds (KIID), and are paid to the specific Banks on a quarterly basis.

2. The Bank, in the context of providing the service of receiving and transmitting its clients' orders for Mutual Fund shares managed by domestic Mutual Fund Management Companies, receives from them up to 100% of the sale/participation commission that Mutual Fund Management Companies receive from the shareholders.

3. In the context of providing the service of reception and transmission of clients' orders in financial instruments, the Investment Mediation Firms and the Investment Firms that are associated with the Bank receive as a fee against this service up to 100% of the net commission on the transaction that is paid by the clients of the Bank.

4. In the context of providing the service of introducing a clientele for effecting their clients' transactions in financial instruments, the Investment Mediation Firms and the Investment Firms that are associated with the Bank receive as a fee against this service up to 100% of the net commission on the transaction that the Bank collects from investors.

5. In the context of providing the service of introducing a clientele for providing Credit into an Open Account with Provision of Margin in the ASE, the Investment Mediation Firms and the Investment Firms that are associated with the Bank receive from the Bank up to 15% of the interest generated by the debit balances of such accounts.

6. The Bank, in the context of the investment services of underwriting securities or placing financial instruments with/without commitment to buy, receives from the issuers an underwriting commission of which the amount or the manner of its calculation is negotiated with each issuer. Therefore, investors wishing to obtain more detailed information regarding fees can inquire at the Bank.

The Bank may receive/pay out reasonable fees which are necessary for providing the service of execution of client orders or which are required in order to obtain access and operate in a specific venue. Indicatively, these fees may include settlement, clearing, custodian fees, commissions charged by foreign brokers for executing orders, and fees and revenues charged by the competent authorities, which of their nature do not create any conflict of interest as against the clients.
The present list is not exhaustive. The Bank is committed to disclose, following a client request, further detailed information about the fees/commissions or non-cash benefits it receives/provides.

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