



INDUCEMENT POLICY



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1. INTRODUCTION

In the context of providing investment services, the Bank has adopted and follows the present Policy in accordance with the provisions of L.4514/2018 incorporating Directive 2014/65/EU (hereinafter MiFID II), and in particular Article 24 (9,10,11) thereof, Delegated Regulation 2017/565 (Article 50) on costs and charges and Delegated Directive 2017/593 (Article 11) on inducements.

Policy sets out the basic principles to be followed to ensure that clients or potential clients are provided with appropriate information on costs and related charges in a timely manner as well as on the consideration for the investment services provided.

The present Policy applies to Retail and Professional clients, as well as to Eligible Counterparts.

However, and without prejudice to the obligations laid down in MiFID II (Article 24 (4)), the Bank, when providing investment services to:

- Professional Clients may agree to a limited application of the detailed requirements regarding such information. However, the Bank does not make such restrictions in the case of financial instruments incorporating derivatives, irrespective of the investment service provided.
- Eligible Counterparts reserve the right to agree to a limited application of the detailed requirements for such information unless, irrespective of the investment service provided, the relevant financial instruments incorporate derivatives and the Eligible Counterpart intends to offer it to its clients

With regard to the best execution criteria, the Bank undertakes not to structure or charge its commissions in a manner that discriminates among execution venues (see relevant Best Execution Policy).

2. INFORMATION REGARDING COSTS AND CHARGES

2.1 AGGREGATION OF COSTS AND CHARGES

The Bank discloses to its clients both before the provision of the investment or ancillary services (**ex-ante disclosure**) and after the provision of the investment or ancillary services (**ex-post disclosure**) the aggregated costs and charges relating to the provision of such services. Information on costs and charges includes information on all costs and associated charges charged by the Bank or other parties (where the client has been directed to such other parties) for both investment and ancillary services provided to the client, the cost of advice (where relevant), the costs and charges related to the financial instruments (in cases where the Bank recommends or markets financial instruments to the client), and the way the client can pay it. It should be noted, though, that any costs and charges that are caused by the occurrence of underlying market risk are not included in the aggregated information about costs and charges.

The aggregation of the costs and charges allows the client to understand the total cost as well as its cumulative effect on return on investment and enables a comparison of different financial instruments and investment services.

These costs are included in the Bank's Price List of Commissions and Charges.

Third party payments received by the Bank in respect of the investment service provided to a client, are itemized separately and the total costs and charges are totaled and expressed both as an amount and as a percentage. In addition, the Bank provides an itemized breakdown upon client's request.

Where any part of the total costs and charges has to be paid in a foreign currency, or represents an amount denominated in a foreign currency, the Bank shall provide an indication of the relevant currency



and applicable exchange rates and conversion costs. The Bank also provides information about the arrangements for payment.

2.2 CUMULATIVE EFFECT OF COSTS ON RETURN

Further to the above, the Bank provides its clients with an illustration of the cumulative effect of cost on return when providing investment services. This illustration is provided both on ex-ante and ex-post basis and meets the following requirements:

- presents the effect of total costs and charges on return of the investment,
- presents any foreseeable sharp increases or fluctuations in costs and
- is accompanied by a description of the illustration.

2.3 EX-ANTE DISCLOSURES

According to Article 50(5) of MiFiD II Delegated Regulation, the Bank provides full ex-ante disclosure on total costs and charges associated with a) the financial instrument and b) the provided investment or ancillary service in the following cases:

- when the Bank recommends or markets financial instruments to clients, or
- when the Bank, providing any investment service, provides clients with a UCITS Key Information Document (UCITS KIID) or Key Investor Information Documents on retail investment products and insurance-based investment products (PRIIP) with respect to the relevant financial instruments, in accordance with the relevant European legislation.

In the remaining situations, the Bank only informs its clients about all costs and charges relating to the investment and/or ancillary service provided.

In the case of ex-ante calculation of costs and charges, the Bank uses the actually incurred costs as a substitute variable for the expected costs and charges. If the actual cost is not available, the Bank makes reasonable estimates of these costs. The Bank reviews ex-ante assumptions on the basis of ex-post experience and adjusts these assumptions, where appropriate.

The ex-ante information on costs and charges must be provided before the provision of investment or ancillary services to clients or potential clients and on a durable medium. It should also be provided in a fully individualized, transaction-based manner, i.e. in relation to the specific investment or ancillary service provided or in relation to the specific financial instrument.

2.4 EX POST DISCLOSURE

The Bank provides annual ex-post information on all costs and charges associated with financial instruments and investment or ancillary services in cases where the Bank has recommended or marketed the financial instruments, or has provided the client with the UCITS Basic Document (KID) or Key Investor Information Document on packaged investment products for private investors and insurance-based investment products (PRIIP) in relation to financial instruments.

The above information is based on actual costs and is provided on a personalized basis at the latest one year after the date on which the client relationship has started or as soon as possible after the above annual anniversary of the relevant service commencing. The Bank has the right 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. INDUCEMENT MANAGEMENT

The Bank does not pay or collect fees or commissions, nor provides or accepts a non-monetary benefit in relation to the provision of an investment or ancillary service to the client, unless the payment or benefit:

- is designed to enhance the quality of this service to the client and,
- does not prevent the Bank from complying with its duty to act honestly, fairly and professionally in accordance with the interests of its clients.

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

- it is justified by the provision of an additional or higher level service to the relevant client, proportional to the level of inducements received, such as:
 - the provision of non-independent investment advice on and access to a wide range of suitable financial instruments including an appropriate number of instruments from third party product providers having no close links with the Bank;
 - the provision of non-independent investment advice combined with either: an offer to the client, at least on an annual basis, to assess the continuing suitability of the financial instruments in which the client has invested; or with another on-going service that is likely to be of value to the client such as advice about the suggested optimal asset allocation of the client; or
 - the provision of access, at a competitive price, to a wide range of financial instruments that are likely to meet the needs of the client, including an appropriate number of instruments from third party product providers having no close links with the investment firm, together with either the provision of added-value tools, such as objective information tools helping the relevant client to take investment decisions or enabling the relevant client to monitor, model and adjust the range of financial instruments in which s/he has invested, or providing periodic reports of the performance and costs and charges associated with the financial instruments
- it does not directly benefit the recipient firm, its shareholders or employees without tangible benefit to the relevant client;
- it is justified by the provision of an on-going benefit to the relevant client in relation to an on-going inducement.

A fee, commission, or non-monetary benefit shall not be considered acceptable if the provision of relevant services to the client is biased or distorted as a result of the fee, commission or non-monetary benefit.

The Bank fulfils the above requirements on an on-going basis as long as it continues to pay or receive the fee, commission or non-monetary benefit.

The departments of the Bank who act as product owners, hold respective evidence that any fees, commissions or non-monetary benefits paid or received by the investment firm are designed to enhance the quality of the relevant service to the client:



- by keeping an internal list of all fees, commissions and non-monetary benefits received by the investment firm from a third party in relation to the provision of investment or ancillary services; and
- by recording how the fees, commissions and non-monetary benefits paid or received by the Bank, or that it intends to use, enhance the quality of the services provided to the relevant clients and the steps taken in order not to impair the firm's duty to act honestly, fairly and professionally in accordance with the best interests of the client.

In relation to any payment or benefit received from or paid to third parties, Bank discloses to the client the following information:

- prior to the provision of the relevant investment or ancillary service, Bank discloses to the client information on the payment or benefit concerned in accordance with the second subparagraph of Article 24(9) of L.4514/2018. Minor non-monetary benefits may be described in a generic way. Other non-monetary benefits received or paid by the investment firm in connection with the investment service provided to a client shall be priced and disclosed separately;
- where the Bank was unable to ascertain on an ex-ante basis the amount of any payment or benefit to be received or paid, and instead disclosed to the client the method of calculating that amount, the investment firm shall also provide its clients with information of the exact amount of the payment or benefit received or paid on an ex-post basis; and
- at least once a year, as long as on-going inducements are received by the investment firm in relation to the investment services provided to the relevant clients, the Bank informs its clients on an individual basis about the actual amount of payments or benefits received or paid. Minor non-monetary benefits may be described in a generic way.

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

4. ARCHIVE

The Bank keeps records of all fees, commissions and non-monetary benefits, consideration received by a third party in connection with the provision of investment or ancillary services.

Records shall be provided to the client concerned on request and kept for at least five years and, at the request of the competent authority, for at least seven years.

5. CONSENT

When the Bank executes orders on behalf of its clients, it ensures the prior consent of the client to this Policy. Clients will be deemed to have given such consent when set an order at any time after receiving information from the Bank about this Policy.