



Client Classification Policy

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1 Introduction

This Client Classification Policy applies to all entities of the Piraeus Bank Group, including the Bank's affiliates, which provide investment services within the meaning of L. 3606/2007 or other laws of EU member states which have implemented MiFID (henceforth the "Directive").

The entities of Piraeus Bank Group (henceforth the "Group" or the "Piraeus Group") which are covered by this Policy are listed in Annex A. For the implementation of this Policy, the terms "Group" and "Piraeus Group" also cover the Bank's branches, as well as those of other companies of the Group abroad.

The Directive distinguishes between the following client categories:

- Retail clients
- Clients that may be treated as professionals upon request
- Professional clients, distinguished as follows:
 - Professionals by nature
 - Professionals by size
- Eligible counterparties

2 Definitions and client classification

Clients are deemed to be the natural or legal persons to whom the Group provides investment services or investment activities.

2.1 Retail clients

Retail clients are the clients who cannot be classified as professionals within the meaning of the Directive. Retail clients enjoy a higher level of protection, in relation to professional clients, which consists mainly of more detailed information provided by the Group.

2.2 Professional clients

According to the provisions of the Directive, professional clients are mainly legal entities and are distinguished as follows:

- professionals by nature, and
- professionals by size

2.2.1 Professional clients by nature

Professional clients by nature are considered to be the following:

- Entities which are required to be authorised or regulated to operate in the financial markets, including all authorised entities carrying out the characteristic activities of the entities mentioned: entities authorised by a Member State under a Directive, entities authorised or regulated by a Member State without reference to a Directive, and entities authorised or regulated by a non-Member State, such as Credit institutions, Investment firms, Other authorised or regulated financial institutions, Insurance companies, Collective investment schemes and management companies of such schemes, Pension funds and management companies of such funds, Commodity and commodity derivatives dealers,Locals.
- National and regional governments, public agencies managing public debt, central banks, international and multinational organisations such as the World Bank, the International Monetary Fund, the European Central Bank and the European Investment Bank.
- Other institutional investors, whose main activity is investing in financial instruments, including companies which deal exclusively with securitising assets or other financing transactions.

2.2.2 Professional clients by size

These are large entities which, individually, fulfil at least two of the following size criteria:

- balance sheet Total: 20,000,000 euros,
- Net turnover: 40,000,000 euros,
- Own funds: 2,000,000 euros.

2.3 Eligible counterparties

Eligible counterparties within the meaning of the Directive are clients who constitute professional clients by nature, according to the above, when the investment services provided to them consist in receiving, transmitting or executing their orders. Classification of a client as eligible counterparty does not apply to any other investment and subsequent services (as these are defined by the Directive), including investment advice and portfolio management.

2.4 Clients that may be treated as professionals upon request

Clients that may be treated as professionals upon request are those retail clients who fulfil the additional criteria set out by the Directive, and may for this reason request that they be treated as professional clients for all financial instruments and services for which they are considered to fulfil these criteria. The criteria for classification to this particular category are the following, provided that at least two of them are met:

- the client has carried out on average ten (10) transactions of sufficient volume per quarter in the relevant market during the last four quarters,
- the value of the client's financial instruments portfolio, defined as cash deposits plus financial instruments, exceeds five hundred thousand euros (500,000),
- the client holds or used to hold for at least one year a professional position in the financial sector which required knowledge of the planned transactions or services.

3**Cases of obtaining client consent regarding his/her categorisation**

The Group is not required to obtain the client's explicit consent regarding his/her categorisation, provided that he/she is a professional or a retail client and he/she has been classified according to the provisions of the Directive.

The Group notifies professional clients that they are entitled to ask to be categorised as retail clients, as to receive higher protection. A client categorised by the Group as a professional client is entitled to ask for a higher level of protection if he/she considers that it is not in a position to assess or soundly manage the risks to which he/she is exposed. A higher level of protection shall be provided if the professional client signs a relevant agreement with the Group regarding its categorisation as a retail client. The agreement must specify whether the said classification shall apply to one or more services or transactions, or to one or more kinds of products or transactions.

The Group shall obtain the retail client's- and the client's that may be treated as professional upon request explicit consent regarding its categorisation as a professional client, as well as the professional client's consent regarding its categorisation as an eligible counterparty.

More specifically, for the categorisation of a Client that may be treated as professional upon request as a professional one, a prior application by the client is required, in a separate document, with a relevant statement attached regarding the particular services and financial instruments for which he/she requests to be treated as a professional client, as well as that he/she is aware of the consequences that the loss of his/her protection as a retail client entails. The Group may only accept the application if it is reasonably convinced, after a suitable assessment of the client's abilities, experience and knowledge, that the client is able to make his/her own specific investment decisions and comprehend the risks involved, taking into account the nature of the said planned transactions or services.

If the Group ascertains that a client no longer fulfils the conditions under which he/she has been categorised as a professional client, it has the right to take all necessary measures, and particularly, to re-classify him/her as a retail client and notify him/her accordingly.

For the categorisation of a professional client as an eligible counterparty, the client's prior written consent is required, as well as an agreement between the contracting parties that the object of the agreement shall exclusively constitute of receiving, transmitting and/or executing orders. The client shall be classified as an eligible counterparty only when and if the client consents to his/her categorisation by the Group as an eligible counterparty. If this client wishes to be treated like a retail client, he/she shall draw up a relative written request explicitly asking for this level of protection, and the Group accepts the request in question.

4 The consequences of client classification

4.1 Retail clients

According to the Directive's provisions, retail clients are provided with the greatest possible protection regarding their investment possibilities and the information given to them. This means, among other things, that certain financial instruments, investment services or trading strategies in the market may not be suitable for or consistent with the retail client's profile - the result being that, in such cases, it will not be possible for the Group to carry out transactions on his/her account.

In addition, the framework for the pre-contractual and constant provision of information, including information on the charges, it is noted that it is *ex ante* determined in terms of its nature and form. As for the possibility to contractually establish a different system of providing the said information, this is extremely limited.

Moreover, the way of determining best execution for the orders placed by retail clients limits the possibility of the Group for a wider evaluation of other parameters (such as, for example, the speed or quality of order execution) given that, for retail clients, the best possible result is determined, primarily, on the basis of the "overall price" principle.

4.2 Professional clients

Professional clients whose knowledge and experience is assessed according to the provisions of the Directive have wider choice of financial instruments, investment services and trading strategies in the market. The framework of their pre-contractual and constant provision of information is more flexible, both in terms of content and form. Various issues which relate to the way investment services are provided, including the provision of information, may be agreed mutually between the Group and the client. Finally, in order to determine the optimal result for professional clients, the Group may take into account other parameters as well (such as, for example, speed or quality of execution).

It is pointed out that identifying and soundly managing conflict of interests concerns all client categories, including eligible counterparties, and all investment and subsequent services provided.

5 Classification Policy for the clients of the Group

The present Classification Policy for the Clients of the Group is summarised as follows:

- The Group proposes to eligible counterparties the provision of reception, transmission and/or execution services for all financial instruments. Until obtaining their consent, as well as in case they do not consent to this, the said clients are categorised by the Group as professional clients for all services and financial instruments provided.
- All remaining client categories are classified by the Group as retail clients for all services and financial instruments provided. Specifically with regard to professional clients by size, the notification letter sent by the Group for the client's categorisation constitutes in effect proposal to come to an agreement for its re-categorisation as retail client. The client's consent for this re-categorisation may well be silent, i.e. it is deemed that it is real and that the contract has been concluded, provided that the client does not explicitly reject its classification or continues to receive the investment or subsequent services provided by the Group.
- Retail clients / Clients that may be treated as professionals upon request are categorised by the Group as retail clients for all services and financial instruments provided.

The Classification Policy for the Clients of the Group may be modified depending on changes in the choices for client categorisation by the Group, always within the relevant legal framework.

If the said modification requires either the explicit or silent consent of the client, the said clients are properly notified and provide their consent.

6**Suitability and appropriateness control**

In cases where the Group provides investment advice or portfolio management services, suitability tests will be carried out using pre-determined questionnaires, so as to collect sufficient information on the client's experience in investment services and transactions, its financial situation and investment goals.

Professional clients *per se* shall be deemed to possess *ex ante* the necessary knowledge and experience.

Suitability tests shall be run on professional clients in order to collect information regarding their investment goals in case of investment advice services.

In cases of portfolio management services, there shall be an additional test regarding the client's financial situation, so as to ensure that he/she is able to undertake the risks involved in the transaction.

There shall be no tests carried out for eligible counterparties.

For simple order execution in complex financial instruments, the Group shall only carry out appropriateness tests on retail clients so as to check clients' knowledge and experience in assessing the suitability of the choice of product.

For simple order execution in non-complex financial instruments, appropriateness tests shall not be carried out even for retail clients.

A The entities of the Group falling under this Policy

The companies of the Piraeus Bank Group covered by this Policy are the following:

- Piraeus Bank S.A.
- Piraeus Bank Bulgaria A.D.
- Piraeus Bank Romania S.A.
- S.S.I.F. Piraeus Securities Romania S.A.
- Piraeus Stock Exchange Provider of Investment Services S.A.
- Piraeus Mutual Fund Management S.A.
- Piraeus Asset Management Europe S.A.