

Banca Akros

Commercial Policy

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1 INTRODUCTION

This document defines the Commercial Policy of the Systematic Internaliser (hereinafter also 'IS') of Banca Akros (hereinafter also 'Bank') called 'AKIS', which, pursuant to Directive 2014/65/EU (hereinafter also 'MiFID II') can be defined as an investment company that, on an organised, frequent, systematic and substantial basis, trades on own account by executing customer¹ orders outside a regulated market, a multilateral trading facility (MTF) or an organised trading facility (OTF).

2 CHARACTERISTICS OF THE SYSTEMATIC INTERNALISER AKIS

2.1 Financial instruments traded through AKIS

Banca Akros has chosen to obtain IS status on the entire 'Bonds' Asset Class.

As a result of this choice, Banca Akros complies with the requirements of IS qualification for all bond instruments issued by the same issuer in the same sub-asset class.

Broker	LEI code	MIC	Asset Class & Sub Asset Class
Banca Akros S.p.A.	549300GRXFI7D6PNEA68	AKIS	Bonds (Sovereign Bonds, other Public Bonds, Convertible Bonds, Covered Bonds, Corporate Bonds and others)

2.2 Investors accessing AKIS

The customers to whom Banca Akros offers access to AKIS are institutional investors, classified for MiFID purposes as 'professional' customers and 'eligible counterparties', including commercial banks active with retail customers (including those of Banco BPM Group, to which Banca Akros belongs).

Any access of retail customers to AKIS is through the above institutional investors.

2.3 How to access AKIS

Banca Akros provides access to AKIS from Monday to Friday from 9am to 5.30pm. (Italian time). The opening calendar is decided year by year, also taking the Italian bond markets into account, and made public through the websites of the banks of the Banco BPM Group.

¹ Customers are understood all to be entities, both professional and eligible counterparties, that send a request for listing to Banca Akros on bond instruments for which Banca Akros is an IS.



The customer accesses AKIS:

- by direct connection of the order collection application to our quote system for securities traded by the Bank at irrevocable prices
- by sending us a request for quote ('RFQ') for the other securities traded by us

2.4 Trading methods

Banca Akros carry out systematic internalisation in two ways:

1. for financial instruments (e.g. bank bonds) for which it has entered into a commitment to trade with the issuer, by trading on AKIS on its own account, using market making methods, and displaying the irrevocable bid and/or offer prices on a special trading book, updated continuously during the opening hours of AKIS, applied by orders with no price limit entered by customers;
2. for the other sub-asset classes of bonds of different issuers referred to in point 1), responding to requests for quotes (known as 'RFQs') received from professional customers and eligible counterparties.

3 PRE- AND POST-NEGOTIATION TRANSPARENCY

3.1 Pre-negotiation transparency

Regarding the Request For Quote trading mode, Banca Akros publishes irrevocable quotes provided to customers for all requests for quote that meet the following characteristics:

- bond instruments traded on a trading venue (ToTV);
- bond instruments classified as liquid;
- request for quote for an amount equal to or less than the Size Specific to the Instrument (SSTI).

Banca Akros uses Bloomberg's APA as the system for publishing pre-trade transparency information for financial instruments traded under RFQ mode.

Concerning the continuous irrevocable price trading method, Banca Akros publishes the purchase and sale prices of the bonds in the specific section of its website www.bancaakros.it, which can be accessed free of charge through a 'user' and 'password'. Pre-trade information (quotes) consists of bid and offer prices and quantities.

3.2 Post-negotiation transparency

Information relating to contracts concluded in RFQ and irrevocable price mode is made available for financial instruments traded on a trading venue (TOTV) through Tradecho acting as an APA (Approved Publication Arrangement) and in the manner it provides.

4 CONDITIONS OF EXECUTABILITY OF PUBLISHED QUOTES

Banca Akros grants the possibility to carry out transactions under the published terms to any customer to whom the quote has been made available.

Banca Akros reserves the right to deny executability to published quotes based on the following objective and non-discriminatory criteria:

- customer status:
or customers operating a trading venue;
or customers acting as an IS on the instrument for which execution is requested;
- quantity and side (purchase or sale) of the transaction: actual availability of the security in its inventory or if the execution request is received for a quantity or side that is incompatible with the published quote;
- market conditions that differ from those prevailing at the time of publication of the quotes;
- risk profile of the customer different from that of the customer who originally requested the quote;
- clearing or settlement arrangements that could expose the Bank to excessive risk;
- Timing of execution: quotes are considered valid at the time of publication and for a reasonable period to allow customers to accept the price.

Furthermore, to avoid the risk of exposure both to multiple transactions by the same customer and to transactions carried out at the same time by several customers, Banca Akros reserves the right to limit the executability of published quotes to a single transaction.

Finally, Banca Akros reserves the right to update the published quotes at any time and to withdraw them in the event of exceptional market conditions.

For exceptional market conditions, Banca Akros considers all, but not exclusively, of the following events:

- conditions of increased market volatility such that there are large changes in the prices of instruments in a short period;
- major economic and political events such as an exit of a country from the European Union, announcements regarding Central Banks' benchmark interest rates, a sovereign default, etc;
- underlying asset of a non-tradable financial instrument or underlying index not available;
- initiation of a phase of changes in the trading system of the main trading venue of the security;



- publications about the issuing company such as, but not limited to, announcements of profits/losses, mergers and acquisitions, etc;
- malfunctioning of the IS's trading systems or technical means of communication, unless due to gross negligence, inexperience or intentional act of Banca Akros.

5 METHODS OF EXECUTION OF PUBLISHED QUOTES

To execute published quotes, customers may send requests by contacting the Front Office of Banca Akros through traditional communication channels (e.g. telephone, Bloomberg chat and email), typically during normal trading hours, which correspond to the 9am - 5.30pm (Italian time) slot on working days in the IS calendar.

However, the Front Office may also reply outside these hours.

At the time of execution, Banca Akros, as IS, acts as market maker and/or broker on own account on bonds, acting as an entity available to trade in direct counterparty. It buys or sells financial instruments at prices and quantities defined and declared by itself, which do not necessarily represent the 'best execution' for customers.

In its capacity as IS, Banca Akros reserves the right to use, on an occasional basis, matched principal or riskless back-to-back trading.

6 TIMING OF POLICY UPDATES

Banca Akros reserves the right to update this Commercial Policy at any time by notifying its customers.

The latest version of the Commercial Policy is available on Banca Akros' institutional website at the following link: [www .bancaakros.it](http://www.bancaakros.it).