

## **ANNOUNCEMENT**

**to the Business Conditions for Investment Services of Raiffeisen Bank Zrt.**

# **Trading Policy**

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Raiffeisen Bank Zártkörűen Működő Részvénytársaság

Seat: 1133 Budapest, Váci street 116-118.

Registered by the Metropolitan Court as Court of Registration at No 01 10 041042.

LEI: 5493001U1K6M7JOL5W45.

Website : [www.raiffeisen.hu](http://www.raiffeisen.hu)

\* The Bank draws the attention of the Customers to the fact that the opening hours of the Bank's branches might be different, the Customer may find the current opening hours of each branch on the Bank's website.



**Raiffeisen**  
**BANK**

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**Raiffeisen Bank Zrt.'s**  
**TRADING POLICY**

## 1. Purpose of the Trading Policy

This policy (the "Trading Policy") sets out the conditions for Raiffeisen Bank Zrt. (the "Bank") to act as a systematic internaliser (SI) so that the Bank shall comply with the requirements concerning the performance of pre-trade disclosure obligations as set out in the MiFIR Regulation.

In accordance with Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing Their Activities (the "Investment Services Act"), the act transposing Directive 2014/65/EU on markets in financial instruments (MiFID II) into the Hungarian institution system, and Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), an investment firm is considered to be a systematic internaliser if it deals on own account on an organised, frequent, systematic and substantial basis when executing client orders outside a regulated market, a Multilateral Trading Facility (MTF) or an Organised Trading Facility (OTF), without operating a multilateral system.

The criteria for becoming a systematic internaliser are set out in Commission Delegated Regulation (EU) 2017/565.

The Bank shall notify the local supervisory authority of the fact of systematic internalisation.

The main objective of MiFID II and MiFIR is to ensure that as many financial instruments as possible are traded on organised trading venues (regulated markets, MTF, OTF) and that all venues are properly regulated. Transparency requirements must be met not only by trading venues, but also by investment firms that engage in systematic internalisation and conclude transactions outside trading venues in instruments admitted to trading on a trading venue.

As a systematic internaliser, the Bank is subject, in addition to post-trade disclosure obligations, to pre-trade disclosure obligations as well.

In accordance with the requirements set out in the MiFIR, the Bank determines in this Trading Policy for which clients the Bank as a systematic internaliser will provide access to its quotes, and how.

The Trading Policy does not apply to primary distribution (public offering), such as the issue, subscription or allocation of securities.

Any matters not covered by the Trading Policy shall be governed by the provisions of the Investment Services Act, MiFIR and the relevant delegated regulations.

## 2. Scope of the Trading Policy

The scope of the Trading Policy covers transactions in financial instruments traded on specific trading venues as defined in MiFIR (regulated markets, MTF, OTF) where the Bank acts as a systematic internaliser in the transaction.

The Bank carries out systematic internalisation activities for financial instruments belonging to the financial instrument classes defined in Annex 1 of the Trading Policy.

This Trading Policy includes:

- the customer groups for which quotes are available,
- the conditions for the availability of the quotes,
- the publication venues of the quotes,
- the validity period of the quotes,
- the minimum and maximum size of the quotes where relevant.

### **3. General rules on price quotes and the obligation of pre-trade disclosure**

Under MiFIR, the level of pre- and post-trade requirements is essentially determined by the liquidity assessment of the financial instrument, i.e. whether the instrument has a liquid or illiquid market. This is determined on the basis of the statements published by the European Securities and Markets Authority (ESMA).

If the Bank is a systematic internaliser for a financial instrument with a liquid market, it is obliged to publish a firm quote if the Bank is prompted for a quote by the client and the Bank agrees to provide a quote.

Publication will take place via the communication channels set out in Chapter 6.

In the event that the Bank is a systematic internaliser for a financial instrument that does not have a liquid market, it is not obliged to publish its quotes or to provide a firm quote. In the case of a financial instrument that does not have a liquid market, the Bank will communicate its quotes upon the client's request to this effect, provided that the Bank agrees to provide a quote.

The Bank shall provide the price quote at least for the amount indicated by the customer, unless this amount exceeds the so-called "normal market size" of the customer under the MiFIR.

The quotations provided by the Bank must ensure that the Bank complies with its obligations as described in the Bank's Execution Policy. In this context, when determining the quoted price the Bank must take into account the price movements for transactions concluded on trading venues for the same or similar financial instruments.

The rules for access to quotes are set out in this Trading Policy. The Bank shall provide access to quotes in an objective and non-discriminatory manner.

The Bank as a systematic internaliser may refuse to enter into or discontinue a business relationship with a customer on the basis of commercial considerations such as the customer's creditworthiness, counterparty risk and the final settlement of the transaction.

The Bank as a systematic internaliser shall make price quotations only during normal trading hours (business hours, branch opening hours, as specified in the annexes to the BCIS).

The Bank provides access to quotes for each financial instrument free of charge.

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## 4. Definition of customer groups

The Bank may define different customer groups for each class of financial instruments, so that the conditions for access to quotes may differ from one group of customers to another.

The following customer groups are defined by the Bank:

Markets Department:

- Markets Trading Partners – credit institutions, investment firms,
- Markets Institutional Sales – collective investment undertakings, collective investment schemes and financial institutions not belonging to the Markets Trading Partners group,
- Markets Sales Corporates – legal entities, sole proprietors and non-individual persons not belonging to the Markets Trading Partners and Markets Institutional Sales groups,
- Markets Sales Individuals – private individuals (natural persons)

Branch network:

- Private individual customers HUF 0 - 50,000,000
- Private individual customers EUR 0 - 100,000
- Private individual customers USD 0 - 100.000

The financial instruments belonging to the classes of financial instruments defined in Annex 1 for which the Bank acts as a systematic internaliser and for which the Bank provides quotes, as well as the current quotation parameters (e.g. price, quotable amount, quotation validity) are available on the link set out in Chapter 6.

## 5. Pricing

The Bank is entitled to apply different pricing for different customer groups.

The Bank may also apply different pricing depending on the volume.

The Bank may provide several quotations within a single trading day, in which case the quotations may as well relate to different quantities..

## 6. Publication of quotes

The Bank is under the obligation to publish its quotes for the financial instruments for which it is a systematic internaliser and which have a liquid market.

As regards the transactions of Markets Department (according to Chapter 4), the performance of the obligation of pre-trade disclosure

- took place until 30 April 2019 on the following website:  
<https://www.raiffeisen.hu/maganszemely/megtakaritas-befektetes/mifid-kozvetetelek>

- has since 30 April 2019 taken place via an approved publication arrangement (APA).

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The firm quotes provided by the Bank are available at the following link:  
<http://pretrade.keler.hu/pretrade/>

As regards transactions in the Branch Network, the Bank publishes its price quotes for the relevant day, together with their period of validity, on the following website:  
<https://www.raiffeisen.hu/maganszemely/megtakaritas-befektetes/mifid-kozvetetelek>

Price quotations shall include at least the following information:

- financial instrument identifier,
- name of the financial instrument,
- ISIN code of the financial instrument,
- maturity of the financial instrument,
- date and time of offer/validity (UTC),
- buy/sell yield (where relevant),
- net buying/selling price,
- gross buying/selling price,
- buy/sell volume,
- currency

The Bank is entitled to publish its price quotations in a periodically updated document containing the quotes provided for the day and their expiry dates.

The Bank will provide information on price quotations for financial instruments that do not have a liquid market upon the client's request. The Bank shall store historical data concerning earlier periods for the period specified by law (at least 5 years).

## **7. Restrictions on price quotations**

The Bank may determine, for each class of financial instruments, the conditions under which it will make the quotation available to the different client groups.

The Bank may specify the validity of its quote, as a binding offer, which, unless otherwise specified, shall be 1 (one) minute after disclosure.

Unless otherwise specified by the Bank in the price quotation for the relevant financial instrument, the quote shall apply only to the maximum total amount specified.

The Bank may also set minimum and maximum quotation amounts per person for the different client groups and/or financial instruments.

The Bank is not obliged to guarantee the quoted price for a quantity greater than the maximum quantity indicated in the quote, irrespective of the period of validity of the quote. The Bank may also limit the number of transactions concerning the specified volume. Unless otherwise specified, the Bank shall enter into a single transaction for the published volume, which includes the transaction with the customer requesting or initiating the quotation. This means that if the customer requesting/initiating the quote enters into a transaction with the Bank at the quoted price that does not cover the full volume, an additional transaction may be entered into for the remaining amount at the quoted price and under the relevant terms during the period of validity of the quote.

The Bank reserves the right to settle the transaction concluded for the quoted amount with the client within 2 trading days (T+2) after its conclusion.

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The Bank is entitled to withdraw or update its published price quotations during the validity period. The Bank is entitled to withdraw a currently available quotation only upon the occurrence of an extraordinary market event, or under exceptional market conditions, as determined by the Bank (e.g. change in market liquidity for the given financial instrument, change in trading conditions, other major changes in prices, or when the conclusion of a transaction at the quoted price may have a significant market impact on market prices, suspension of trading in the financial instrument covered by the quotation on the relevant trading venue, suspension of quotation activity for the relevant financial instrument, etc.).

## **8. Review of the Trading Policy**

The Trading Policy is reviewed by the Bank at least once a year.

The review of the asset classes and liquid markets that are covered by the systematic internalisation is carried out by the Bank on a quarterly basis, based on the financial instruments data published by ESMA.

A review will also take place, in addition to normal reviews, if a material change occurs that requires an amendment to the Trading Policy and/or its annex.

This Trading Policy is an annex to the Bank's Business Conditions for Investment Services.

### **Annex:**

Annex 1: Classes of financial assets for which the Bank acts as a systematic internaliser

Hungarian government bonds