

# INFORMATION ON Client Categorization

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According to the Securities Market Act, all clients buying or selling securities, buying or selling funds or entering into other transactions on the securities market shall be divided into different client categories to reflect the level of client protection. The level of protection varies between the client categories depending on the client's knowledge, experience and general circumstances. Clients are divided into non-professional clients, professional clients and eligible counterparties. Non-professional clients enjoy the highest level of protection and eligible counterparties, the lowest level of protection.

**If the bank does not specify anything to the contrary, or inform otherwise, you have been categorized as a non-professional client with the highest protection level.**

## **Non-professional client**

This category enjoys the highest level of client protection. This means that the bank, among other things, must inform the client about itself and its services. The bank must also inform the client of prevailing financial instruments and the risks they entail as well as their trading costs and other fees related to transactions. When the bank provides the service of investment advice or portfolio management, it must assess whether a service or instrument is suitable for the client before providing the service or recommending the instrument. The bank bases its assessment on the client's investment goals, financial position as well as the client's experience and knowledge of the service or instrument. In order to help the client to take a well-founded decision at the time of the investment advice, the bank will always send a written suitability statement to a non-professional client that states how the advice given matches the client's preferences, needs and other circumstances. As regards services other than investment advice and portfolio management, the bank will assess whether the service is suitable for the client based on the client's knowledge and experience with respect to the relevant service. However, such type of assessment is not made if the client at its own request, places an order for financial instruments that the bank deems non-complex.

Under certain circumstances, a non-professional client might be re-categorized to the professional client category. This can be done generally or for certain groups of financial instruments and services. A re-categorization to a professional client means that the protection level for the client decreases. Such a re-categorization is subject to specific circumstances. Further information is available from your advisor or local bank office.

## **Professional client**

Professional clients are assumed to have sufficient experience, knowledge and expertise to be able to make their own well-founded investment decisions and understand the risk their investments carry. When providing investment advice the bank does normally not assess the client's relevant knowledge and experience. The bank does not assess the client's knowledge and experience in connection with portfolio management. A professional client is neither offered to receive any written suitability statements.

For other types of service than investment advice and portfolio management, no assessment is made if the service is suitable given the client's knowledge and experience. Additionally, there are other limitations with regard to exchange of information between the bank and the client.

Professional clients, may, on request and following the bank's approval be re-categorized as non-professional clients, thus increasing the protection level. Professional clients, may also, on request and following the bank's approval be re-categorized as eligible counterparties thus decreasing the level of protection. Further information on this is available from your advisor or local bank office.

## **Eligible counterparty**

Eligible counterparties have the lowest client protection. However, an assessment of whether the service is suitable for the client based on the client's investment aim will be made in respect of investment advice and portfolio management.

Eligible counterparties may, on request and the bank's approval, be re-categorized as professional clients or non-professional clients thus increasing the level of protection. Further information is available from your advisor or local bank office.