

Dear Customer,

This notice contains information about recent regulatory changes in how we provide investment services as a result of the entry into force of the MiFID II directive.

### What is MiFID?

MiFID is a directive on markets in financial instruments that has been in force in the European Union since November 2007 and applies to all financial institutions that provide investment services. MiFID 2 refers to Directive 2014/65/EU, which extends and builds on the rules already established by MiFID with the following objectives:

- **Improve investor protection** by reinforcing conduct of business rules and competence for trading and settling financial instruments.
- **Improve supervision and transparency in financial markets** (including derivative markets) by ensuring the correct functioning of markets in price formation.

### How will MiFID 2 strengthen investor protection?

- **Requiring** that employees who provide information on MiFID products and services or investment advice certify their knowledge and experience.
- **Avoiding** conflicts of interest by limiting cases in which inducements of third parties may be collected by financial institutions and requiring that an additional or top-tier service be provided to clients in order to keep inducements within investment services (not including independent advice and discretionary portfolio management services, for which inducements are explicitly prohibited).
- **Increasing** reporting requirements for clients before and after financial instruments are traded.
- **Requiring** that the target market of each investment product or service be determined at the time they are defined and approved; and that internal procedures be put in place for product governance.
- **Enhancing** the policy on identifying, managing and preventing conflicts of interest.

### How will MiFID 2 affect the investment services Bankinter provides?

- **Reception, transmission or execution of orders:** Bankinter uses several channels to provide you with a wide range of its own and third-party financial products. It offers its clients the option of subscribing to over 800 investment funds from Portugal and abroad through agreements that it has entered with more than 20 fund managers. This includes the world's top-ranked fund managers and their brokerage and intermediary services for a variety of instruments. Clients may trade in over 10 markets with a wide range of equities, bonds, ETFs and other instruments.
- **Investment advice:** Bankinter provides **non-independent** investment advice services, which means:
  - Bankinter may recommend that you invest in financial instruments issued or managed by any institutions within its group or with which it has close ties or any other legal or financial relationship.
  - Bankinter may accept and retain fees, commissions or other monetary or in-kind benefits paid or provided by a third party for providing investment advice (ie, 'inducements') and other related services.

- Bankinter provides recurrent ('Advisory' service) and occasional investment advice services.
- **Discretionary portfolio management:** Through this service, clients authorise Bankinter to manage a portion of their assets to invest them in investment fund portfolios or other securities in accordance with requirements set out in current regulations.

You may find more information about these services in the **Investment Services and Products Booklet** prepared and made available by Bankinter.

### How will MiFID 2 change my contracts signed with Bankinter and other important documents?

As a result of the entry into force of MiFID 2, certain changes needed to be made to contracts that govern the investment services Bankinter provides to its clients. These changes aim to strengthen investor protection and increase transparency in financial instrument trading, improving the information received by clients when subscribing to such products.

The contracts affected by these new regulations will be those that govern the following services in Bankinter: Recurring investment advice ('Advisory' service) and portfolio management contracts, about which clients currently retaining services were notified. In due course, other changes may occur, which will be duly announced.

Furthermore, we provide you with the new **Investment Services and Products Booklet**, which contains important information about Bankinter, its investment services, a summary of the financial instruments for which such services are provided and the most significant policies that you should understand as an investment services client. The latest version of the **Investment Services and Products Booklet** will be available to clients at [bankinter.pt/investimentos/novo-modelo](http://bankinter.pt/investimentos/novo-modelo). This document is considered an appendix to the General Terms of Adhesion for Bankinter Customers and, thus, an integral part thereof.

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**bankinter.pt**

If you decide to file a complaint regarding agreements, contracts, terms and conditions or any other matter or service, you may do so in person, in writing (letter or email) or by telephone, preferably with your relationship manager. You may also contact the Customer Relation. You may obtain information about our procedures for addressing complaints by requesting it at a branch office, calling 707 50 50 50 or +351 211 112 346, or visiting our website [bankinter.pt](http://bankinter.pt).

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