
VI. CLASSIFICATION OF CLIENTS

It consists of the Risk Scoring process.

1. The Risk scores are the following: A, B, C1,C2, C3, D and E being A the better risk and E the worst. The scoring is, in general, automatic and made by the scoring models Triad, Acceptance Scoring, Business Scoring or by the Credit Department.

2. Individuals, Private Banking and Business Segments:

a) The first to be used shall **always** be the Triad model.

Observation: In the case of Sole Entrepreneurs and Companies it is mandatory to always have updated information on annual output volume and income (application program CUMN).

b) In cases where it is not possible to use the Triad model or it does not grant a credit score, shall be used the following models:

- Acceptance Scoring, single-product,
or
- Business Scoring for Sole Entrepreneurs, or Companies with updated accounting data uploaded in the bank's system.

c) In the case that the two previous scoring models do not apply, it will be possible to grant a risk score by using the Credit Department model.

d) In the absence of an automatic credit scoring, the Level 1/1B of the Credit Department shall grant the Risk Score C2 except in cases where the Client has already been classified with a worse Risk Score, case in which the worse score will persist, exception made for those cases wherein is decided otherwise by the Credit Department.

3. Companies and Corporate Segments:

a) The risk scoring shall be assessed by using the Credit Department Model.

b) In the absence of an automatic credit scoring, the Level 1 of the Credit Department shall grant the Risk score C2 except in the cases where the Client has already been classified with a worse Risk Score, case in which the worse score will persist, exception made for those cases wherein is decided otherwise by the Credit Department.

c) Institutional clients not comprised within the above mentioned automatic scoring models will be scored by Level 1 of the Credit Department:

- B Risk Score ⇔ Institutional Clients similar to the Central Government or Public Sector;
 - C1 Risk Score ⇔ Institutional Clients similar to Local Government.
 - Risk Score equal to the one of Economical Groups to Institutional subsidiaries of Economic Groups.
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4. a) The granting of a better risk score than the one that is automatically granted shall be awarded by Level 3 according to a explanatory Memorandum issued by Level 2 of the Credit Department.

b) The granting of a worse risk score than the one that is automatically granted shall be awarded by Level 1/1A of the Credit Department.

5. The Risk Score E is confined to the clients already being taken care of by the Legal Department or Credit Recovery Department.

6. Companies showing a potential insolvency are automatically Risk Score D.

7. Depending on the client's risk score and based on the collaterals offered, there is the possibility to grant a **Transaction Risk Score** different for a particular product, as shown in the table included in Attachment C.

In the absence of collaterals shall be considered the Client's risk score.
