

In compliance with Commission Delegated Regulation (EU) 2017/576, investment firms are required to publish, for each class of financial instruments, a summary of the analysis and conclusions they draw from their detailed monitoring of the quality of execution obtained on the execution venues where they executed all client orders in the previous year.

Equities and similar instruments – shares and depositary receipts (a)

(a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

When processing our clients' orders, the Bank prioritises the price, speed and final cost incurred by the client. To access the various liquidity sources (regulated markets, multilateral trading facilities – MTFs, systematic internalisers – SIs, and liquidity providers), the Bank enters into agreements with its counterparties (brokers) for the use of smart order routers.

This ensures that the Bank obtains a price that is equal to or higher than the price available on the principal market.

The Bank can also use algorithms made available by its brokers to process large and illiquid orders.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Bank has no links, conflicts of interest or ownership with respect to the execution venues used to execute its clients' orders.

(c) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Bank has no arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

The acquisition of ITG by the counterparty Virtu Financial in 2019 resulted in the creation of a new entity, Virtu ITG, whose subsidiary, Virtu ITG Europe Limited, was used as a counterparty from 2020.

(e) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution conditions.

In compliance with the Bank's best execution policy, there is no difference in how clients from different categories (the MiFID classifications of retail and professional clients) are treated.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

The Bank determines its execution strategy in accordance with the order size and in relation to the market trading volume, in order to avoid any negative impact on the price obtained.

This means that for a liquid order, speed of execution is the main factor, whereas for an illiquid order, the main factors are still price and cost.

(g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

The Bank uses reports from a transaction cost analysis (TCA) tool to perform an analysis of the quality of execution.

(h) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.

Debt instruments (b) and structured finance instruments (f)

(a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

Seeking out liquidity is the primary factor in obtaining a good quality of execution for our clients' bond orders.

The Bank therefore has access to Multilateral Trading Facilities (MTFs) provided by Bloomberg, MarketAxess and Tradeweb as execution venues, in order to get the best possible overview of secondary market bond flows.

Other operators also help to provide liquidity. These players tend to be institutional investors such as asset managers, insurance portfolios or pension funds.

In recent years, the Bank has made sure that it has tools giving it access to these liquidity pools.

This means that a bond order is executed by seeking out liquidity and finding a sufficient number of quotes to be able to judge whether the obtained prices are competitive and in line with the market.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Bank has no links, conflicts of interest or ownership with respect to the execution venues used to execute its clients' orders.

(c) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Bank has no arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

In preparation for Brexit, the Bank established a connection to Bloomberg Trading Facility B.V.'s MTF, MarketAxess B.V.'s MTF and TradeWeb EU B.V.'s MTF that are located in the Netherlands, to replace Bloomberg Trading Facility Limited's MTF, MarketAxess Euro Limited's MTF and TradeWeb Europe Limited's MTF that are situated in the UK.

(e) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution conditions.

In compliance with the Bank's best execution policy, there is no difference in how clients from different categories (the MiFID classifications of retail and professional clients) are treated.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

When a client's order concerns an instrument listed on a regulated market, if the order can be executed OTC or on an alternative execution venue at a better price, and at a lower cost for the client, this order shall be executed outside the regulated market subject to the client's approval.

(g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

Access to multilateral execution venues means we can guarantee the quality of execution of our clients' orders.

(h) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.

Interest rate derivatives (c), equity derivatives (g) (i) and currency derivatives (e) (i) admitted to trading on a trading venue

(a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

The listed derivatives market is much less fragmented than that of other asset classes. As such, the choice of a specific contract also determines the regulated market on which the contract is processed.

The Bank is a direct member of the Eurex market, on which a large portion of our clients' orders are processed. For the other markets, the orders are transmitted via direct market access (DMA) brokers, which means they are transmitted immediately on the regulated markets where the contracts are processed.

Where market liquidity allows, price, cost and speed are the primary factors that determine the quality of execution. For illiquid orders, the factors taken into account for the quality of execution are size and likelihood of execution.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Bank has no links, conflicts of interest or ownership with respect to the execution venues used to execute its clients' orders.

(c) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Bank has no arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

There were no changes in 2020 to the list of execution venues for interest rate, equity and currency derivatives admitted to trading.

(e) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution conditions.

In compliance with the Bank's best execution policy, there is no difference in how clients from different categories (the MiFID classifications of retail and professional clients) are treated.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

Since leveraged derivatives are extremely volatile by nature, the speed of processing is a major factor. Illiquid orders are split into several parts to avoid a negative impact on the price of execution.

(g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

Not applicable.

(h) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.

Swaps, forwards and other currency derivatives (e) (ii)

(a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

Clients' currency derivatives are executed with the Bank as the sole counterparty. This enables our clients to have their orders executed quickly at a price based on market conditions, and to get their transaction settled immediately.

In order to provide a competitive service to its clients, the Bank has access to several multilateral execution venues, FXAll and Bloomberg FXGO, enabling it to create quotes in line with market conditions.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Bank has no links, conflicts of interest or ownership with respect to the execution venues used to execute its clients' orders.

(c) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Bank has no arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

In preparation for Brexit, the Bank established a connection to Bloomberg Trading Facility B.V.'s MTF located in the Netherlands to replace Bloomberg Trading Facility Limited's MTF situated in the UK.

(e) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution conditions.

In compliance with the Bank's best execution policy, there is no difference in how clients from different categories (the MiFID classifications of retail and professional clients) are treated.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

Not applicable.

(g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

The quality of execution for client orders is reviewed using a transaction cost analysis (TCA) tool.

(h) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.

Swaps and other equity derivatives (g) (ii)

(a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

This category includes orders concerning share options for which the contracts are not listed on a regulated market. Since these contracts are totally illiquid by nature, executing them means finding market makers that can offer quotes on them and picking the best one.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Bank has no links, conflicts of interest or ownership with respect to the execution venues used to execute its clients' orders.

(c) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Bank has no arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

There were no changes to the list of execution venues for swaps and other equity derivatives in 2020.

(e) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution conditions.

In compliance with the Bank's best execution policy, there is no difference in how clients from different categories (the MiFID classifications of retail and professional clients) are treated.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

Since OTC derivative contracts are illiquid, the likelihood of execution factor is also taken into account.

(g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

Not applicable.

(h) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.

Securitised derivatives (h)

(a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

Orders concerning warrants and structured products listed on regulated markets are processed on the principal market via our network of brokers.

Unlisted products are processed OTC with the issuer of the security ensuring the liquidity of the secondary market.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Bank has no links, conflicts of interest or ownership with respect to the execution venues used to execute its clients' orders.

(c) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Bank has no arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

There were no changes to the list of execution venues for securitised derivatives in 2020.

(e) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution conditions.

In compliance with the Bank's best execution policy, there is no difference in how clients from different categories (the MiFID classifications of retail and professional clients) are treated.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

In the case of orders concerning products listed on a regulated market with sufficient liquidity, speed is also one of the factors taken into account to obtain the best execution for our clients.

(g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

Not applicable.

(h) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.

Exchange-traded products (ETPs) (exchange-traded funds (ETFs), exchange-traded notes (ETNs) and exchange-traded commodities (ETCs)) (k)

(a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

ETFs are processed identically to equities or similar instruments. For illiquid or large orders, liquidity can also be found on venues enabling requests for quotes (RFQs) to be made to several market makers, so price, cost and speed are the main factors taken into consideration.

(b) Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.

The Bank has no links, conflicts of interest or ownership with respect to the execution venues used to execute its clients' orders.

(c) Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

The Bank has no arrangement with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits.

(d) Explanation of the factors that led to a change in the list of execution venues listed in the firm's execution policy, if such a change occurred.

In preparation for Brexit, the Bank established a connection to Bloomberg Trading Facility B.V.'s MTF located in the Netherlands to replace Bloomberg Trading Facility Limited's MTF situated in the UK.

(e) Explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution conditions.

In compliance with the Bank's best execution policy, there is no difference in how clients from different categories (the MiFID classifications of retail and professional clients) are treated.

(f) Explanation of whether other criteria were given precedence over immediate price and cost when executing retail client orders and how these other criteria were instrumental in delivering the best possible result in terms of the total consideration to the client.

In the case of liquid orders, i.e. where execution does not negatively affect market price, speed of execution is also taken into account.

(g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

Not applicable.

(h) Explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

Not applicable.