

Annual statement of AS “Citadele banka” for top five execution venues in 2021

1. Purpose of Statement

Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and Commission Delegated Regulation (EU) 2017/576 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution (hereinafter – Regulation), provides that the Joint Stock Company “Citadele banka” (hereinafter – Bank) is obliged to publish information on five key execution venues in terms of sales volumes in regard to the Bank’s client transactions with financial instruments in 2021.

2. Content of Statement

The statement provides information on the top five execution venues, in terms of sales volumes, which were used to execute the Bank’s client trade orders on debt securities, shares, depository receipts, exchange traded instruments, and currency derivatives in 2021, as well as the top five execution brokers in terms of sales volumes to whom the Bank issued clients’ orders in 2021.

3. Summary of assessment about the quality of execution venues, considering transactions with the respective category of financial instruments

Debt Securities

a) Factors impacting execution of orders

The Bank assessed the following factors impacting the execution of bonds and other debt securities: the key factors were price, costs, volume, speed, feasibility of execution and settlement, and type of order. In regard to non-liquid debt securities volume, price, costs, speed, feasibility of execution and settlement, type of order and other factors were assessed. When deciding on trade with the over-the-counter products, the Bank verifies the objectivity of the price offered to the client, summarising market data used in the estimate of the product’s price, and, if possible, comparing with similar or comparable products. Executing a limit order of the client about bonds or other debt securities, the Bank executes the order, if it is possible, within the expiration term of the order for the price provided in the order or for a better price.

b) Conflicts of interest

The Bank does not have a conflict of interest with the execution venues used in executing the clients’ orders.

c) Agreements with execution venues

The Bank does not have any agreements with execution venues for provision or receipts of payments, remuneration, discounts or non-monetary benefits.

d) Changes in the process of execution of orders

The Bank regularly updates the list of execution venues. In 2021, no significant changes were introduced in the list of business partners. The next following updated of execution venues is planned in 2022.

e) Different approach to different client categories when executing orders

The Bank does not apply different approaches to retail and professional clients when executing orders.

f) Other factors important in execution of orders

When the Bank executes retail client orders, it prioritises the considerations of price and costs, including costs that the client can incur directly in regard to the execution of orders

g) Use of data to assess the quality of orders

To achieve the best result in execution of client orders, the Bank takes all the necessary and reasonable measures and considers several factors, including price, costs, volume, speed, type of order, possibility of execution and payments.

Shares and Depository Receipts

a) Factors impacting execution of orders

To achieve the best result in execution of client orders, the Bank takes all the necessary and reasonable measures and considers several factors, including price, costs, volume, speed, type of order, feasibility of execution and settlement.

b) Conflicts of interest

The Bank does not have a conflict of interest with the execution venues used in executing the clients' orders.

c) Agreements with execution venues

The Bank does not have any agreements with execution venues for provision or receipts of payments, remuneration, discounts or non-monetary benefits.

d) Changes in the process of execution of orders

The Bank regularly updates the list of execution venues every year. At the end of 2020, changes were introduced in line with the establishment or termination of business relations with the trade venues/brokers. In 2021, no significant changes were introduced in the list of business partners. The next following updated of execution venues is planned in 2022.

e) Different approaches to different client categories when executing orders

The Bank does not apply different approaches to retail and professional clients when executing orders

f) Other factors important in execution of order

When the Bank executes retail client orders, it prioritises the considerations of price and costs, including costs that the client can incur directly in regard to the execution of orders.

g) Use of data to assess the quality of orders

The Bank has not used data or instruments in regard to the quality of execution. The Bank has not used the data provided by the consolidated data provider.

Exchange traded products (ETF,ETN,ETC)

a) Factors impacting execution of orders

To achieve the best result in the execution of client orders, the Bank takes all the necessary and reasonable measures and considers several factors, including price, costs, volume, speed, type of order, feasibility of execution and settlement.

b) Conflicts of interest

The Bank does not have a conflict of interest with the execution venues used in executing the clients' orders.

c) Agreements with execution venues.

The Bank does not have any agreements with execution venues for provision or receipts of payments, remuneration, discounts or non-monetary benefits.

d) Changes in the process of execution of orders

The Bank regularly updates the list of execution venues every year. At the end of 2020, changes were introduced in line with the establishment or termination of business relations with the trade venues/brokers. In 2021, no significant changes were introduced in the list of business partners. The next following updated of execution venues is planned in 2022.

e) Different approaches to different client categories when executing orders

The Bank does not apply different approaches to retail and professional clients when executing orders.

f) Other factors important in execution of orders

When the Bank executes retail client orders, it prioritises the considerations of price and costs, including costs that the client can incur directly in regard to the execution of order.

g) Use of data to assess the quality of orders

The Bank has not used data or instruments in regard to the quality of execution. The Bank has not used the data provided by the consolidated data provider.

Currency derivatives – swaps and forwards

a) Factors impacting execution of orders

These transactions are mainly structured considering the individual requirements of the client to satisfy the client's specific request for a specific transaction amount, currency pair and payment date. Considering that a specific individual request mainly does not have a single offer in the currency market, the Bank determines the price of a specific transaction, and the client can decide whether or not to conclude a transaction for the price offered by the Bank.

b) Conflicts of interest

The Bank does not have a conflict of interest with the execution venues used in executing the clients' orders. When the Bank executes the clients' orders using the Bank's portfolio assets, it complies with the Policy for the Prevention of Conflicts of Interests in the field of investment services/non-core services.

c) Agreements with execution venues

The Bank does not have any agreements with execution venues for provision or receipts of payments, remuneration, discounts or non-monetary benefits.

d) Changes in the process of execution of orders

In 2021, no changes were introduced in the list of order execution venues.

e) Different approaches to different client categories when executing orders

The Bank does not apply different approaches to retail and professional clients when executing orders.

f) Other factors important in execution of orders

When the Bank executes retail client orders, it prioritises the considerations of price and costs, including costs that the client can incur directly in regard to the execution of orders.

g) Use of data to assess the quality of orders

The Bank has not used data or instruments in regard to the quality of execution. The Bank has not used the data provided by the consolidated data provider.

The summary updated on 29 April, 2022