

# RTS 28 Article 3.3 Conclusions

*30. April 2018*

As a regulated investment firm Nordea is required to take all sufficient steps to obtain the best possible results for our clients on a continuous basis when either executing orders or transactions on behalf of clients and when transmitting orders or transactions to other entities for execution (known as “Best Execution”). Nordea has a policy and processes in place to ensure we meet our Best Execution obligations, taking into account certain factors, criteria and execution venues. These are outlined in Nordea’s execution policies.

This report is our conclusions drawn from the analysis and monitoring of our execution quality, as per article 3.3 of the EU Regulatory Technical Standard 28 of the Commission Delegated Regulation (EU) 2017/576 (MiFID II).

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## Disclaimer

This report constitutes Nordea Bank AB (publ)’s annual publication of information on the identity of execution venues, brokers and on the quality of execution, in accordance with the EU Regulatory Technical Standard 28 of the Commission Delegated Regulation (EU) 2017/576 and the EU Commission Delegated Regulation (EU) 2017/565 article 65.5. This report contains information on transactions executed in 2017, prior to the regulations coming into force. Consequently, we have not been able to fully report on information that was not available or applicable at that time. Please contact [marketsmifidii@nordea.com](mailto:marketsmifidii@nordea.com) for further details.

## Equities – Shares & Depositary Receipts on Venue

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of best execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

In our analysis of execution quality we consider price as the most important factor when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

A third party vendor for benchmarking of our execution performance is used.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU RTS 28, Art 3, para 3(h));**

Not applicable for this class of instrument in 2017.

## **Equities – Shares & Depositary Receipts with broker**

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of best execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

In our analysis of execution quality we consider price as the most important factor when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Nordea Markets has no close links, conflicts of interest or common ownership to brokers used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution agreed individually with brokers.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

A third party vendor for benchmarking of our execution performance is used.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU RTS 28, Art 3, para 3(h));**

Not applicable for this class of instrument in 2017.

## Debt instruments on venue

This class of instrument covers:

- Bonds
- Money markets instrument.

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

For fixed income products, Nordea generally focus on optimising price, costs and speed, but the order of importance may differ depending on the characteristics of the specific transaction or instructions from the client.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Other than trading as principle where Nordea is the execution venue, Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

Execution quality monitored internally to determine the most appropriate execution arrangements for the products.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU (RTS 28, Art 3, para 3(h));**

No output of a consolidated tape provider used.

## Interest rates derivatives on venue

This class of instrument covers:

- Futures and options admitted to trading on a trading venue
- Swaps, forwards and other interest rates derivatives

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

For Interest Rate Derivative products, Nordea generally focus on optimising price, costs and size, but the order of importance may differ depending on the characteristics of the specific transaction or instructions from the client.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Other than trading as principle where Nordea is the execution venue, Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

Execution quality monitored internally to determine the most appropriate execution arrangements for the products.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU (RTS 28, Art 3, para 3(h));**

No output of a consolidated tape provider used.

## Credit derivatives on venue

This class of instrument covers:

- Futures and options admitted to trading on a trading venue
- Other credit derivatives

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

For Credit Derivative products, Nordea generally focus on optimising price, costs and size, but the order of importance may differ depending on the characteristics of the specific transaction or instructions from the client.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

In the majority of instances, Nordea is the execution venue for Credit Derivatives. Nordea Markets has no close links, conflicts of interest or common ownership to external execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

No specific arrangements with external execution venues.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

Execution quality monitored internally to determine the most appropriate execution arrangements for the products.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU (RTS 28, Art 3, para 3(h));**

No output of a consolidated tape provider used.

## Currency derivatives on venue

This class of instrument covers:

- Futures and options admitted to trading on a trading venue
- Swaps, forwards and other currency rates derivatives

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

For FX products, Nordea generally focus on optimising price, costs and speed, but the order of importance may differ depending on the characteristics of the specific transaction or instructions from the client.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Other than trading as principle where Nordea is the execution venue, Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

Execution quality monitored internally to determine the most appropriate execution arrangements for the products.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU RTS 28, Art 3, para 3(h));**

No output of a consolidated tape provider used.

## Equity derivatives on venue

This class of instrument covers:

- Futures and options admitted to trading on a trading venue
- Swaps and other equity derivatives

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of best execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

In our analysis of execution quality we consider price as the most important factor when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

For OTC Equity Derivatives, Nordea is the execution venue.

Other than trading as principle where Nordea is the execution venue, Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

Not applicable for OTC equity derivatives.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

A third party vendor for benchmarking of our execution performance is used for the monitoring of listed equity derivatives.

For all other equity derivatives the execution quality is monitored internally to determine the most appropriate execution arrangements for the products.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU RTS 28, Art 3, para 3(h));**

No output of a consolidated tape provider used.

## Securitized Derivatives on venue

This class of instrument covers:

- Warrants and Certificate Derivatives
- Other securitized derivatives

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

For Other Securitised Derivative products, Nordea generally focus on optimising likelihood of execution and settlement, price and size, but the order of importance may differ depending on the characteristics of the specific transaction or instructions from the client.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Other than trading as principle where Nordea is the execution venue, Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

Execution quality monitored internally to determine the most appropriate execution arrangements for the products.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU (RTS 28, Art 3, para 3(h));**

No output of a consolidated tape provider used.

## **Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities) on Venue**

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of best execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

In our analysis of execution quality we consider price as the most important factor when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

A third party vendor for benchmarking of our execution performance is used.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU (RTS 28, Art 3, para 3(h));**

Not applicable for this class of instrument in 2017.

## Securities Financing Transactions on venue

This class of instrument covers:

- Securities borrowing and lending
- Repurchase Agreement (Repo)

**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 (RTS 28, Art 3, para 3(a));**

The relative importance of execution factors is taken into consideration when analysing performance and execution quality - we refer to Nordea's Execution policy for a description of execution factors and the relative importance.

For SFTs, Nordea generally focus on optimising price, costs and speed, but the order of importance may differ depending on the characteristics of the specific transaction or instructions from the client.

**Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));**

Other than trading as principle where Nordea is the execution venue, Nordea Markets has no close links, conflicts of interest or common ownership to execution venues used to execute orders.

**Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));**

Execution fees to external venues follow official price schemes.

**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 (RTS 28, Art 3, para 3(d));**

No such changes have occurred during 2017.

**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 arrangements (RTS 28, Art 3, para 3(e));**

The order execution arrangement does not differ with client categorisation.

**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 (RTS 28, Art 3, para 3(f));**

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

**Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));**

Execution quality monitored internally to determine the most appropriate execution arrangements for the products.

**Where applicable, an explanation of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU RTS 28, Art 3, para 3(h));**

No output of a consolidated tape provider used.