

MIFID II Best Execution Reporting

**Summary of analysis and conclusions from
detailed monitoring of the quality of execution
(RTS 28)**

2020 Qualitative Report

Purpose of the Document

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH
Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH must publish¹, for each class of financial instruments, a summary of the analysis and conclusions it draws from its detailed monitoring of the quality of execution obtained on the execution venues where it executed all client orders in the previous year.

Introduction

The best execution obligation may be owed to you, our clients, when we are deemed to be acting on your behalf. Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH always deals with you as principal and operates primarily in request for quote markets.

Scope

This report is produced annually for the previous year - in this case calendar year 2020.

¹ Pursuant to Art 3(3) of RTS 28 (Commission Delegated Regulation (EU) 2017/576).

Summary of Analysis and Conclusions

The best execution obligation may be owed to you, our clients, when we are deemed to be acting on your behalf. Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH always deals with you as principal and operates primarily in request for quote markets.

We set out below our summary and conclusions by reference to the categories of information referred to in Art 3(3) of RTS 28 (Commission Delegated Regulation (EU) 2017/576):

(a) an 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 relative importance that we gave to these execution factors and other relevant considerations is dependent on the client categorisation.

Where we classified you as a Retail client, the execution factors which we took into account where we owed you a regulatory duty of best execution were determined in terms of total consideration and comprise: (i) the price of the relevant financial instrument; and (ii) the costs associated with executing the related Order or transaction.

Where we classified you as a Professional client, the execution factors below refer to the considerations and choices which we accounted for when we dealt with you when we owed you a regulatory duty of best execution:

- a) price
- b) costs
- c) speed of execution
- d) likelihood of execution and settlement ability
- e) size of transaction
- f) nature or characteristics of the order or transaction
- g) credit and liquidity considerations
- h) such other matters that may be relevant to the specific Order or transaction having regard to the prevailing market conditions.

Total consideration was one of the most important execution factors for the majority of our, factoring in the size, nature and type of characteristics of the order when representing the price of the product and the costs relating to execution.

The Best Execution Approach is the same for all types of financial instrument in respect of which we owe a duty of best execution.

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

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH was the sole execution venue in all cases.

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

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH was the sole execution venue in all cases.

- (d) an 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;**

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH was the sole execution venue in all cases.

- (e) an 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;**

All Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH transactions with its clients regardless of categorisation were executed by Lloyds Bank plc.

The execution factors for Best Execution purposes differed depending on the client's MIFID II classification. Retail clients were limited to total consideration which comprised of (i) the price of the relevant financial instrument; and (ii) the costs associated with executing the related Order or transaction.

For professional clients a wider range of execution factors were taken into account as listed above in a) for both Orders and Request for Quote transactions.

Lloyds Bank Corporate Markets Wertpapierhandelsbank GmbH does not owe a duty of Best Execution to eligible counterparties (ECPs).

- (f) an 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;**

We did not give other criteria precedence when providing retail clients with best execution.

- (g) an 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 (Commission Delegated Regulation (EU) 2017/575)**

We have reviewed our approach to best execution.

We monitor Best Execution via sample testing to ensure in scope executed trades were disclosed with the relevant price transparency by including the market reference rate.

We monitor FX forwards and FX swaps risk free price against market rates. Yield curves for rates derivatives are reviewed daily against market rates.

There has been no specific use of data published under RTS 27.

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- (h) An explanation of how the investment firm has used, if applicable, output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU which will allow for the development of enhanced measures of execution quality or any other algorithms used to optimise and assess execution performances.**

In 2020 Lloyds Bank plc did not use the output of a consolidated tape provider established under Article 65 MiFID II for the above purposes.