

SUMMARY OF THE ANALYSIS AND CONCLUSIONS DRAWN FROM THE DETAILED MONITORING OF THE QUALITY OF EXECUTION OBTAINED ON THE EXECUTION VENUES

Riga, 30 April 2021

In accordance with *DIRECTIVE 2014/65/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (the MiFID II Directive)* and *COMMISSION DELEGATED REGULATION (EU) 2017/576 of 8 June 2016 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*, Baltic International Bank SE (Bank) has prepared a summary of the analysis and conclusions drawn by Bank from its detailed monitoring of the quality of execution obtained on the execution venues.

The summary contains information on the top five execution venues in terms of trading volumes where Bank executed (in 2020) client orders for transactions involving:

- stocks and exchange traded funds,
- debt securities,
- currency derivatives: swaps, forwards, and other currency derivatives,
- contracts for difference (CFDs),
- equity derivatives: options and futures admitted to trading on an exchange.

The summary of the information on the quality of order execution:

- a) Bank has taken all necessary and reasonable steps to obtain, when executing order, the best possible result (best execution) for its clients, while taking into account the execution factors of price, costs, speed execution and settlement, likelihood of execution, size (volume) and type of the order. When making decision to execute OTC products-based transactions, Bank has checked the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of such product. When executing client's debt securities-based limit orders (OTC transactions), Bank has executed the orders during the validity period of the orders at a price specified in the respective order or better.
- b) Bank does not have any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders.
- c) Bank has not received payments, discounts, rebates or non-monetary benefits from any execution venues.

- d) When implementing requirements of MiFID II, Bank has revised the list of execution venues attached to Bank's Client Order Execution Policy (transactions in financial instruments) as Annex. Bank has extended the list of execution venues as Bank's counterparties offered a wider choice of execution venues. Bank also made changes in its list of counterparties in connection with the termination of legal relationship with the existing counterparties and establishment of legal relationship with the new counterparties.
- e) When executing client orders, Bank does not apply differentiated approaches to retail clients and professional clients. For each specific stock exchange, Bank uses a certain broker without making distinction between clients in terms of client status: Bank executes all client orders while complying with the legal obligation of best execution. Banks made statistical changes because in the middle of the year Bank terminated its cooperation with two counterparties, namely Saxo Bank and Raiffeisen Bank.
- f) When executing orders of retail clients, in certain circumstances, depending on the nature of a particular financial instrument or execution venue-related features, and in the manner prescribed by the Client Order Execution Policy (transactions in financial instruments), Bank may give other execution criteria precedence over immediate price and cost, by providing the rationale for the achievement of the best possible result and adherence to the Policy upon Client's request. For example, under liquidity constraints, or where there is no access to previously used Execution Venue, Bank may regard the likelihood of execution *per se* (as such) as the decisive/key factor. In such circumstances, the other criteria that had been given precedence over immediate price and cost proved instrumental in delivering the best possible result in terms of the total consideration to the Client. Giving priority to factors such as prices and costs would make the result impossible to achieve.
- g) Bank has not used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.
- h) Bank has not used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU.

When monitoring the quality of execution, Bank has carried out an in-depth analysis of order execution and assessed the execution results delivered by the execution venues. Bank has arrived at the following conclusions:

- As Bank has a limited number of counterparties (maximum 2 counterparties per transaction, but predominantly 1 counterparty), Bank has no choice of execution venues at a practical level and the main prerequisite is to comply with the transaction parameters as specified in the respective client order.
- Analysis of the transaction-execution parameters leads to the conclusion that in executing the transactions Bank strives, to the greatest possible extent, to obtain for client the best possible execution result.
- To provide clients with the information about the execution of transactions in compliance with the best execution regime, Bank retains information that is relevant to its order execution behaviour.

This information has been prepared based on the actual data relating to the quality of execution from 1 January 2020 to 31 December 2020.

Class of Instrument	Stocks and exchange traded funds – Retail clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SAXO BANK A/S - 549300TL5406IC1XKD09	40.08%	61.49%	37.92%	42.07%	0
BlueOrange Bank A/S -54930080G2M7EJ097A27	25.10%	13.79%	32.62%	18.18%	0
IBP Markets LTD - 213800Y7WLJILTZZ5I67	21.63%	6.32%	27.01%	16.66%	0
KIT FINANCE EUROPE AS - 213800VJ4RBIEOFAE75	13.19%	18.39%	2.45%	23.09%	0

Class of Instrument	Stocks and exchange traded funds – Professional clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
IBP Markets LTD - 213800Y7WLJILTZZ5I67	75.40%	45.45%	87.19%	4.41%	0
SAXO BANK A/S - 549300TL5406IC1XKD09	22.96%	50.00%	12.81%	84.10%	0
RAIFFEISEN BANK INTERNATIONAL AG - 9ZHRYM6F437SQJ6OUG95	1.64%	4.55%	0.00%	11.49%	0

Class of Instrument	Stocks and exchange traded funds – Retail clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
New York Stock Exchange (NYSE)	27.96%	29.88%	30.48%	25.64%	0
Deutsche Börse Xetra	7.89%	18.29%	5.40%	10.18%	0
LONDON STOCK EXCHANGE	17.58%	17.07%	13.45%	21.40%	0
Electronic Share Market (MTA)	22.19%	13.41%	25.68%	18.97%	0
National Association of Securities	12.26%	12.20%	20.68%	4.48%	0

Class of Instrument	Stocks and exchange traded funds – Professional clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Deutsche Börse Xetra	78.68%	42.86%	85.07%	35.23%	0



National Association of Securities	15.31%	33.33%	10.68%	46.81%	0
LONDON STOCK EXCHANGE	3.52%	9.52%	2.13%	12.98%	0
NYSE ARCA	0.64%	9.52%	0.00%	4.98%	0
NASDAQ/NGS (GLOBAL SELECT MARKET)	1.85%	4.76%	2.12%	0.00%	0

Class of Instrument		Debt securities - Retail clients				
Notification if < 1 average trade per business day in the previous year		Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	
BANCA ZARATTINI AND CO. SA - 213800INM3OFHF9QS122	45.56%	33.66%	40.85%	48.05%	0.00%	
REUSS PRIVATE AG - 2138006B1AY18VCA6K15	29.43%	30.69%	32.05%	28.04%	0.00%	
Amstel Securities N.V. - 2138002EVRD5TWEC3X33	13.64%	19.80%	14.68%	13.09%	0.00%	
BlueOrange Bank A/S -54930080G2M7EJ097A27	4.74%	6.93%	9.00%	2.49%	0.00%	
IBP Markets LTD - 213800Y7WLJILTZZ5I67	2.52%	3.96%	0.00%	3.85%	0.00%	

Class of Instrument		Debt securities - Professional clients				
Notification if < 1 average trade per business day in the previous year		Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders	



REUSS PRIVATE AG - 2138006B1AY18VCA6K15	56.93%	58.26%	33.71%	58.78%	0.00%
BANCA ZARATTINI AND CO. SA - 213800INM3OFHF9QS122	17.74%	17.39%	31.06%	16.67%	0.00%
Amstel Securities N.V. - 2138002EVRD5TWEC3X33	12.82%	13.04%	35.24%	11.03%	0.00%
IBP Markets LTD - 213800Y7WLJILTZZ5I67	12.52%	11.30%	0.00%	13.52%	0.00%

Class of Instrument	Currency derivatives - Swaps, forwards, and other currency derivatives - Retail clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
A/S Baltic International Bank - 213800U3Y2TMRMKLNE90	100.0%	100.0%	N/A	N/A	

Class of Instrument	Currency derivatives - Swaps, forwards, and other currency derivatives – Professional clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
A/S Baltic International Bank - 213800U3Y2TMRMKLNE90	100.0%	100.0%	N/A	N/A	

Class of Instrument	Contracts for difference (CFD) - Retail clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SAXO BANK A/S - 549300TL5406IC1XKD09	100.0%	100.0%	N/A	N/A	

Class of Instrument	Contracts for difference (CFD) - Professional clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SAXO BANK A/S - 549300TL5406IC1XKD09	100.0%	100.0%	N/A	N/A	

Class of Instrument	Equity Derivatives - options and futures admitted to trading on an exchange - Retail clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SAXO BANK A/S - 549300TL5406IC1XKD09	100.0%	100.0%	N/A	N/A	



Class of Instrument	Equity Derivatives - options and futures admitted to trading on an exchange - Professional clients				
Notification if < 1 average trade per business day in the previous year	Yes				
Top five execution brokers ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as a percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
SAXO BANK A/S - 549300TL5406IC1XKD09	100.0%	100.0%	N/A	N/A	