

## Report on the execution quality of client orders in 2020

Raiffeisen Bank International AG („RBI“) is publishing this report on the execution quality of orders executed on behalf of retail clients and professional clients during the period January 2020 until December 2020.

The report contains the following classes of financial instruments:

- Interest Rate Derivatives
- Currency Derivatives
- Equity Derivatives
- Commodity Derivatives
- Debt Instruments
- Equities – Shares & depositary receipts
- Securitized derivatives – Warrants, certificate derivatives and other securitized derivatives
- Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

### **Description of the importance of execution criteria**

RBI has issued an order execution policy for client orders which regulates the relative importance of the execution criteria, in particular the price of the financial instrument, the costs related to the execution of the order, the speed and likelihood of execution and settlement and the size and nature of the order.

When executing orders on behalf of retail and professional clients the best possible result shall primarily be determined on the basis of the total consideration. The total consideration comprises the price of the financial instrument and any other costs related to the execution of the order. Excluded are other costs charged directly to the client by third parties (e.g. custody costs). Subject to the criterion of total consideration the likelihood of execution, the speed of execution and likelihood of settlement are execution criteria which are also taken into account.

This determination of the relative importance of execution criteria applies to all types of financial instruments.

For further information on the execution policy of RBI and the relevant factors for determining the relative importance of execution criteria please refer to the brochure “Order Execution Policy For Professional and Retail Clients” which is available for download at <https://www.rbinternational.com/Execution Policy>.

### **Changes to execution venues and intermediaries**

RBI is monitoring the execution quality on an ongoing basis and regularly reviewing, at least annually, the adequacy of the order execution policy as well as the selected execution venues and intermediaries to ensure the best possible result for clients on a consistent basis when executing client orders.

In the course of the regular reviews both qualitative as well as quantitative criteria are assessed. In particular, the results of the ongoing monitoring, the likelihood of execution and settlement, local market knowledge of intermediaries, customer complaints received and loss events occurred will be analysed and assessed for each execution venue and intermediary. To the extent necessary separate assessments will be made for specific types of financial instruments. Based on these criteria an overall assessment is made which serves as the basis for a decision on the adequacy of execution channels and the respective execution venues and intermediaries.

Compared to the previous year, there were only significant shifts in the distribution of business volume among the various execution venues for bonds and currency derivatives. With regard to bonds for professional and private customers, RBI became a systematic internaliser for many issuers; this naturally resulted in a significant increase in the share of this execution venue in the trading volume.

In the case of currency derivatives, there was an increase in RBI's share as an execution venue, as both professional and private customers were increasingly trading on electronic platforms. There, RBI is in direct competition with its competitors and this provides an objective possibility for customers to assess the quality of execution.

Monitoring and verification of the execution quality and the appropriateness of the order execution policy was conducted under the use of data and tools which are mentioned in this chapter (*Use of data and IT tools*).

### **Close links, conflicts of interests and common ownerships with respect to any execution venues**

RBI has issued guidelines for conflicts of interests handling. These guidelines aim at preventing potential or actual conflicts of interests which are detrimental to the client's interest. For further information on the measures implemented by RBI to identify and manage conflicts of interests please refer to the brochure "General Information on Transactions in Financial Instruments" which is available for download at [www.rbinternational.com](http://www.rbinternational.com).

Close links exist to the following execution venues:

RBI is holding approximately 6.97% of the shares in Wiener Börse AG (Vienna Stock Exchange). Wiener Börse AG is holding approx. 99.54% of the shares in Burza cennych papiru Praha, a. s. (Praha Stock Exchange).

The chairman of the management board of Raiffeisen Centrobank AG ("RCB"), Harald Kröger, holds the power of attorney at the indirect sole shareholder of RCB, RBI. In addition he holds the position as Head of Group Investment Banking in RBI. The member of the board of RCB, Heike Arbter, is a member of the Exchange Council of the Baden-Wuerttembergische Wertpapierboerse in Stuttgart.

### **Other material arrangements with execution venues**

RBI has neither entered into any agreements with execution venues relating to, or otherwise accepted or provided discounts, rebates or other non-monetary benefits for the transmission of client orders, which are in conflict with the conflict of interests or inducement provisions pursuant to Directive 2014/65/EU.

### **Use of data and IT tools**

Since January 2018, RCB as a service provider of RBI was automatically monitoring the execution quality of all orders executed on behalf of retail clients and professional clients using historical market data for the abovementioned asset classes (i) equities, (ii) securitized derivatives and (iii) exchange traded products. For such purpose the actual execution price is checked against the prevailing market prices on alternative execution venues at the time of execution. Since December 1<sup>st</sup>, 2020 the monitoring of the execution quality of all orders is performed by RBI due to the integration of RCB.

For all other abovementioned asset classes, RBI is monitoring the execution quality via its own IT tools using appropriate market data/reference prices. Therefore, all client orders in any type of financial instrument either directly executed by RBI or RCB or transmitted to intermediaries for execution are subject to a monitoring process of execution quality.

Publications pursuant to Delegated Regulation (EU) 2017/575 were not used by RBI for such purpose during the reporting period.

### **Use of information provided by consolidated tape provider**

RBI did not use any data services of a consolidated tape provider during the reporting period for the purposes of the execution of or monitoring of the execution quality of client orders.