

## Summary of Šiaulių bankas AB analysis and conclusions regarding the quality of client order execution

Reference period: 2023

### General information

*Published in accordance with the COMMISSION DELEGATED REGULATION (EU) 2017/576 of 8 June 2016 with regard to the annual publication by investment firms of information on the identity of execution venues and on the quality of execution.*

The information in this section applies to all classes of financial instruments

In 2023, Šiaulių bankas AB (hereinafter - the Bank) executed or transmitted client orders for the following classes of financial instruments:

- Equities – Shares & Depositary Receipts;
- Debt instruments - Bonds;
- Exchange traded products - Exchange Traded Funds;
- Unlisted investment fund units;
- Currency derivatives - Currency Forwards.

The reports on main execution venues and brokers that have been published along with this summary covers client orders for such financial instruments.

The Bank do not have any close links or joint ownership with any of the trading venues used to execute client orders or with any other brokers to which the Bank has transmitted orders for execution that could spur any conflict of interest, except in cases when orders are executed with the Bank as a principle.

The list of the Bank's order execution venues and brokers to which the Bank transmits client orders has not changed accordingly - Aktsiaselts KIT Finance Europe has been removed from the list of brokers, and InterCapital Securities Ltd. has been included.

When choosing order execution venues, it is assessed whether it ensures the proper implementation of the Procedure for the execution of orders on financial instruments and, among other things, takes into account a number of quantitative and qualitative indicators: i) technical capabilities; (ii) speed of execution; (iii) applicable fees; iv) execution and settlement terms; (v) other relevant factors.

When selecting the Brokers where client orders are executed, it is assessed whether the proper implementation of the Procedure for the execution of Orders on financial instruments is ensured, and a number of quantitative and qualitative indicators are also taken into account: i) reliability, reputation, competence; ii) membership in regulated order execution venues; iii) region of operation; iv) experience working in a specific market; v) technical capabilities, promptness and efficiency of execution of orders; vi)

transparency of price formation, order execution costs; vii) order execution policy - does it ensure that orders submitted to the Broker will be executed under the best conditions for the client.

The Bank regularly assesses the ability of order execution venues and brokers to ensure the execution of orders under the best conditions for clients.

The Bank does not use any data or measures related to the quality of order execution that are published in accordance with Regulation (EU) No. 2017/575 when choosing trading venue.

There is no differentiation or separate order execution between different clients according to client categorization when it comes to order execution arrangements except for cases where the client imperatively specifies specific order execution conditions or for cases when the Bank acts as a counterparty when executing the client's order and as a result order execution under the best conditions for the client may be not guaranteed.

## Information specific to the classes of financial instruments

Class of financial instrument: Equities – Shares & Depositary Receipts (tick size liquidity bands 1 to 6)

### Execution factors

The following are the key factors that are most likely to be relevant to the execution of client orders for equities, but their impact may be different for each order:

- Price of financial instrument and execution costs;
- Speed of execution;
- Likelihood of execution (liquidity);
- Order size and nature;
- Other factors that are important in executing client order on the best terms.

The Bank considers the total settlement amount to be the most important factor, which consists of the price of the financial instrument and the execution costs. The speed of execution may affect the final settlement price in places where the price of the financial instrument changes rapidly. The Bank executes client orders in the most liquid venues, as this ensures the best price for the client and a high likelihood of execution. The Bank may execute a large order in installments (in agreement with the client) if it considers that an order placed for execution in full may have a significant effect on the price at the relevant execution venue.

### Trading venues and brokers

The Bank executes client orders for equities directly at the venues where the Bank is a member of the Exchange (*NASDAQ Vilnius, NASDAQ Riga, NASDAQ Tallinn* including *Nasdaq First North exchanges*) or at the venues to which orders are transmitted for execution via brokers.

The Bank does not have any specific arrangements with any execution venue regarding payments made or received, discounts, rebates or non-monetary benefits other than general discounts or rebates that trading venues offer in their public fee.

Class of financial instrument: Debt instruments - Bonds

### Execution factors

The following are the key factors that are most likely to be relevant to the execution of client orders for equities, but their impact may be different for each order:

- Price of financial instrument;
- Execution costs;
- Likelihood of execution and settlement;
- Order size;
- Speed of execution;
- Other factors that are important in executing client order on the best terms.

The Bank considers the price of financial instrument to be the most important factor. The likelihood of execution and settlement becomes an important one when executing orders for debt securities over the counter which usually is the case. Therefore the Bank chooses reliable execution venues with the lowest possible non-settlement risk. Due to the

specifics of the debt securities market, the order may not be executed at all due to its small size. Execution speed is less important here as orders are usually not executed on a regulated market where the price of a financial instrument fluctuates more slowly.

### **Trading venues**

The Bank usually executes client orders for debt securities in the Organized Trading Facilities and / or as a principal or on the Nasdaq Baltic market (a small number of orders). The Bank does not transmit orders to other brokers.

The Bank uses price information published by other trading venues in order to accurately and timely update the prices of debt securities published by the Bank, for which the Bank offers to conclude a transaction as a principal.

The Bank does not have any specific arrangements with any execution venue regarding payments made or received, discounts, rebates or non-monetary benefits other than general discounts or rebates that trading venues offer in their public fee.

### **Class of financial instrument: Exchange traded products - Exchange traded funds (ETF, ETN, ETC)**

#### **Execution factors**

The following are the key factors that are most likely to be relevant to the execution of client orders for equities, but their impact may be different for each order:

- Price of financial instrument and execution costs;
- Speed of execution;
- Likelihood of execution (liquidity);
- Order size and nature;
- Other factors that are important in executing client order on the best terms.

The Bank considers the total settlement amount to be the most important factor, which consists of the price of the financial instrument and the execution costs. The speed of execution may affect the final settlement price in places where the price of the financial instrument changes rapidly. The Bank executes client orders in the most liquid venues, as this ensures the best price for the client and a high likelihood of execution. The Bank may execute a large order in installments (in agreement with the client) if it considers that an order placed for execution in full may have a significant effect on the price at the relevant execution venue.

#### **Trading venues and brokers**

The Bank executes client orders for equities at the venues where the Bank is a member of the Exchange (*NASDAQ Vilnius, NASDAQ Riga, NASDAQ Tallinn* including *Nasdaq First North exchanges*) or at the venues to which orders for execution are transmitted via brokers.

The Bank does not have any specific arrangements with any execution venue regarding payments made or received, discounts, rebates or non-monetary benefits other than general discounts or rebates that trading venues offer in their public fee.

## Class of financial instrument: Unlisted investment fund units

### Execution factors

The following are the key factors that are most likely to be relevant to the execution of client orders for equities, but their impact may be different for each order:

- Speed of execution;
- Likelihood of execution and settlement;
- Execution costs;
- Other factors that are important in executing client order on the best terms.

The Bank considers the speed of order execution to be the most important factor, as the time of order execution may affect order execution price (due to the cut-off time). The likelihood of execution and settlement is important for order execution over the counter. The Bank executes client orders at reliable execution venues with the lowest possible non-settlement risk. The price of the financial instrument is not relevant, as the unit price of the investment fund is set and published by the management company at certain regular intervals set out in the fund documents.

### Trading venues and brokers

The Bank executes client orders for equities at the venues where the Bank is a member of the Exchange (Nasdaq Baltic Markets) or at the venues to which orders are transmitted via brokers.

The Bank may receive monetary remuneration from fund management companies or their agents for the distribution of investment funds when executing client orders via fund management companies or their agents. Information on any incentives the Bank received from third parties is disclosed [here](#).

## Class of financial instrument: Currency derivatives - Forwards and other currency derivatives

### Execution factors

The following are the key factors that are most likely to be relevant to the execution of client orders for equities, but their impact may be different for each order:

- Price of financial instrument;
- Execution costs;
- Likelihood of execution;
- Speed of execution;
- Order type and size;
- Other factors that are important in executing client order on the best terms.

The Bank considers that the most important factor is the total settlement amount, which consists of the price of the financial instrument that the Bank can offer to clients and the execution costs. The price offered to clients is different for various transactions and depends on the Bank's hedging costs. The ability and size of a transaction can be an even more important factor in individual cases than the price in an illiquid market. Speed of execution is important for the final execution price when dealing in most liquid currencies.

**Trading venues**

The Bank does not provide brokerage service to clients for the execution of currency derivatives orders and executes client orders solely as a principal.