

30 April 2020

Best Execution Annual Report

Introduction

Based on MIFID II legislation, European investment firms will be required to publish information on how they executed client orders, as of 2018.

In line with this requirement, ABN AMRO provides the attached information to enable the public and investors to evaluate the quality of ABN AMRO Global Markets execution practices, and to identify the top five execution venues in terms of trading volumes where ABN AMRO Global Markets executed client orders in the preceding year. In order to make meaningful comparisons and analyse the choice of top five execution venues, the information is published per class of financial instruments.

In order to be able to fully evaluate the order flow of client orders to execution venues, it has also been identified where ABN AMRO Global Markets itself was one of the top five execution venues.

(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;

ABN AMRO always strives to offer her clients the best deal possible. Providing a good deal requires a careful consideration of weighing different execution factors, such as cost, price and likelihood of settlement and execution. For all our clients and especially for our retail clients, we deem the factors of price and cost of the highest importance. For more information regarding our prioritization, please consult our ABN AMRO Global Markets order execution policy.

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

For all product categories except equity products, ABN AMRO acts fully on its own book. This means there are no other venues involved. Therefore there are no close links, conflicts of interest or common ownerships to be noted. For equity products, ABN AMRO trades on its own book as well as on external venues. Where ABN AMRO acts as its own venue the link is obvious and leaves no room for conflicts of interest, common ownerships, close links or other forms of inappropriate conduct. The choice for the external venues is due to the access to the various markets that they provide. Euronext provides the main access to Benelux equities. Goldman Sachs Int. and Barclays Capital Securities Limited provides access to their algo's, which provide access to Euronext, non-Euronext markets and dark pools, thereby increasing the likelihood of execution. Barclay's Capital Inc and Goldman Sachs Int. are used for the US market and for "exotic" markets (e.g. Greece), as we do not have direct access to these markets ourselves. R.J. O'BRIEN LIMITED (formerly known as The Kyte Group Ltd.) is (primarily) used as back-up for the US market and non-Euronext markets, as we do not have direct access to these markets ourselves. There are no close links, conflicts of interest or common ownerships to be noted between ABN AMRO and these venues.

¹ The current version of the order execution policy can be found on ABN AMRO's website.

For the order execution policy that was in force in before 2019, please ask your contact person.

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

In most cases ABN AMRO acts as its own venue and in these cases specific arrangements with execution venues does not apply. For equity products we make use of external venues. The fees incurred from these venues are based on a commission per trade. The commission is calculated according to a fixed number of basis points of the notional of the trade. No payments are made or received and no discounts, rebates or non-monetary benefits are received.

(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;

As we always strive to provide best execution for our clients, we choose our execution venues with utmost care. This results in long-standing professional relationships with the venues we use, built on mutual respect and a feeling of responsibility towards each other. As we are very much content with the venues we currently use, no venues have been dismissed. There has been an addition in the list of execution venues in the past year (i.e. Barclays Cap. Inc.).

(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;

We consider the execution factors of price and cost the most important above all others. While this is officially also required, our teams responsible for client order execution strongly feel this personally as well. There are therefore no significant differences in how orders are executed based on the client classification. For more information regarding our prioritization, please consult our ABN AMRO Global Markets order execution policy.

(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;

Price and cost are considered the most important execution factors for client orders. The only reason we would divert from these factors is when we are specifically instructed by a client to prioritize other execution factors over these. By doing so, we optimize the result for our clients by tailoring to their individual needs. For more information regarding exceptions to our standard execution factor order, please consult our ABN AMRO Global Markets.

(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 Commission Delegated Regulation (EU) .../... to be inserted before publication [RTS 27];

To provide a complete overview it is important to distinguish between the different product groups, as the execution of client orders in different product groups asks for different tools and data.

For FX Derivatives, all market data is obtained real-time from Reuters and Bloomberg. From this data the mid-market is determined and redistributed through the pricing engines ATS/Ret-ad and Goldfish. In the pricing engine the various cost components are added to the mid-market price in order to determine the client price. For Commodities, all market data is obtained real-time from Reuters and Bloomberg. This data is fed into Murex. Murex calculates the mid-market Fair Value with the internally approved models. Various cost components are added to this calculated mid-market price in order to determine the client price.

For Interest Derivatives, all market data is obtained real-time from Reuters. This data is fed into Murex and ION. For structured deals Murex calculates the mid-market Fair Value with the internally approved models. For plain vanilla structures the market data is fed into ION. In both cases various costs components are added to this calculated mid-market price in order to determine the client price.

For Equity products, all market data is obtained real-time from Bloomberg and Fidessa. Through these systems we follow the prices and the depth of the book. In Fidessa we also look at the fill info (price, time, venue, etc.).

For Securities Financing products, best price discovery is done on Global Interdealer Broker Trading Platforms such as Brokertec and Eurex.

(h) 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

Currently, ABN AMRO does not use the service of a consolidated tape provider.

Appendix 1: execution venues for professional clients

Class of Instrument	Equities - Shares & Depository Receipts (Liquidity Band 5-6)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International, W22LROWP2IHZNBB6K528	39,81%	55,68%			0%
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	37,01%	0,41%			0%
Barclays Capital Securities Limited, K9WDOH4D2PYBSLSOB484	20,58%	40,15%			0%
Euronext Amsterdam NV, XAMS	2,25%	2,82%	44,11%	47,60%	0%
R.J. O'BRIEN LIMITED 549300OHLZ0RR2TSKH90	0,20%	0,65%			0%

Appendix 1: execution venues for professional clients

Class of Instrument	Equities - Shares & Depository Receipts (Liquidity Band 3-4)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International, W22LROWP2IHZNBB6K528	37,16%	40,56%			0%
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	25,21%	0,65%			0%
Barclays Capital Securities Limited, K9WDOH4D2PYBSLSOB484	18,76%	23,92%			0%
R.J. O'BRIEN LIMITED 549300OHLZ0RR2TSKH90	5,91%	20,13%			0%
Euronext Amsterdam NV, XAMS	5,85%	4,76%	52,22%	36,74%	0%

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Appendix 1: execution venues for professional clients

Class of Instrument	Equities - Shares & Depository Receipts (Liquidity Band 1-2)				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Barclay's Capital Inc AC28XWWI3WIBK2824319	32,77%	37,68%			0%
R.J. O'BRIEN LIMITED 549300OHLZ0RR2TSKH90	24,53%	32,43%			0%
Goldman Sachs International, W22LROW- P2IHZNBB6K528	15,30%	19,66%			0%
ABN AMRO Bank N.V., BFXS5XCH7N0Y- 05NIXW11	8,94%	1,35%			0%
Euronext Amsterdam NV, XAMS	8,42%	2,21%	59,91%	30,19%	0%

Class of Instrument		Debt Instruments - Money Market Instruments			
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument		Interest Rate Derivatives - Swaps, forwards and other interest rate derivatives			
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

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Class of Instrument		Currency derivatives - Swaps, forwards and other currency derivatives			
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument		Equity Derivatives - Swaps and other equity derivatives			
Notification if <1 average trade per business day in the previous year	Y				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument	Commodities Derivatives and emission allowances Derivatives - Other commodities derivatives and emission allowances derivatives				
	Notification if <1 average trade per business day in the previous year	Y			
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument	Exchange Traded Products - (Exchange traded funds, exchange traded notes and exchange traded commodities)				
	Notification if <1 average trade per business day in the previous year	N			
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Goldman Sachs International, W22LROWP2IHZNBB6K528	96,93%	39,27%			0%
Euronext Amsterdam NV, XAMS	1,45%	0,84%			0%
Barclay's Capital Inc AC28XWWI3WIBK2824319	1,43%	59,54%			0%
R.J. O'BRIEN LIMITED 549300OHLZ0RR2TSKH90	0,16%	0,07%			0%
Barclays Capital Securities Limited, K9WDOH4D2PYBSLSOB484	0,02%	0,29%			0%

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Appendix 2: execution venues for non-professional clients

Class of Instrument		Debt Instruments - Money Market Instruments			
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument		Interest Rate Derivatives - Swaps, forwards and other interest rate derivatives			
Notification if <1 average trade per business day in the previous year	Y				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument	Currency derivatives - Swaps, forwards and other currency derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument	Commodities Derivatives and emission allowances Derivatives - Other commodities derivatives and emission allowances derivatives				
Notification if <1 average trade per business day in the previous year	Y				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

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Appendix 3: execution venues for SF

Class of Instrument		Equities - Shares & Depository Receipts			
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%

Class of Instrument		Debt Instruments - Bonds			
Notification if <1 average trade per business day in the previous year	N				
Top 5 Venues ranked in terms of volume (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
ABN AMRO Bank N.V., BFXS5XCH7N0Y05NIXW11	100%	100%	0%	100%	0%