

For Retail Clients

Report on Top 5 Execution Entities and related information

Objective

Directive 2014/65/EU of the Parliament and the Council of 15 May 2014 on markets in financial instruments (MiFID II) and its delegated legislation require Luminor Bank AS (the Bank) to summarise and make public on an annual basis, the top five execution venues for each class of financial instruments in terms of trading volumes where the Bank has executed or transmitted client orders in the preceding year as well as to prepare a summary of the analysis and conclusions of monitoring of the quality of execution obtained.

This report (the Report) is intended to enable the public and investors to evaluate the quality of the Bank's execution practices by requiring publication of valuable information about how and where the Bank has executed client orders.

This Report is prepared for the period from 1 January 2023 to 31 December 2023.

(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;

When executing orders on behalf of the clients, the Bank considers a number of factors as part of its obligation to take all sufficient steps to obtain the best possible result for its clients.

Primarily, the execution of orders are based on the amount of the cost of the financial instrument and the execution costs. The trading venue and/or execution entity for execution was chosen by the results of annual evaluation of counterparties for a specific market.

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

The Bank has no close links, conflicts of interest or common ownership and does not hold common ownership in any external execution venue/entity used to execute Orders.

No.	Execution venue/entity	Description of Close Link
1.	The Bank	When executing client orders in particular financial instruments, the Bank may source liquidity from its own trading book and/or act as a principal to client (on own account) being an execution venue itself.

Detailed information on use of each execution venue/entity in respect of particular class of financial instrument is disclosed in tables below in this Report as well as the Policy for Execution of Orders in Financial Instruments.

Conflicts of interests that potentially may arise when executing or transmitting for execution client orders to execution venues/entities having close links with the Bank are managed according to the Bank's Conflict of Interest Management Policy which is published on the Bank's website.

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

The Bank has different specific arrangements with particular counterparties being execution venues at the same time. Depending on the business set-up in particular cases the Bank may receive monetary benefit from such counterparties for different services: distribution of particular financial instruments, safeguarding of financial instruments, introducing counterparty's services to the Bank's clients, etc. The detailed explanation on inducements received by the Bank, as well as its management is disclosed in the Inducement Policy for the Provision of Investment and Ancillary Services which is published on the Bank's website.

(d) an explanation of the factors that led to a change in the list of execution venues/entities listed in the firm's execution policy, if such a change occurred;

Since May 2023 the Bank no longer uses Nordea Bank Abp as a counterparty for execution of trades in Index Linked Bonds.

(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;

The categorization of the client has a significant impact on the way in which the Bank considers the importance of the execution factors which might be important to clients, as set out in more detail below:

- **Price** – the market or fair price at which an order is executed;
- **Costs** – this includes implicit costs such as the possible market impact, explicit external costs, e.g., exchange or clearing fees;
- **Speed of execution** – the time it takes to execute the order;
- **Likelihood of execution and settlement** – the likelihood that the Bank will be able to complete the transaction;
- **Size and nature** – the Bank seek markets that provide the greatest liquidity and thus potential for execution of large orders. The Bank also seeks opportunities for client orders to benefit from order size commitments offered by third parties;
- **Other factors** – any other factors relevant to the order (for example, market impact – the effect that executing client's order, or showing it to market participants, might have upon the market).

When the Bank executes orders on behalf of retail (non-professional) clients, Best Execution is determined on the basis of the total consideration paid by the client. Total consideration is the price of the financial instrument and the costs related to execution, including all expenses incurred by the client which are directly related to the execution of the order such as the Execution Venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order. When assessing whether Best Execution has been achieved, the Bank does not take into account its standard charges that will be paid by the client irrespective of how the order is executed.

When the Bank executes orders on behalf of professional clients, it will use reasonable judgement to weigh different execution factors at the time of execution in accordance with execution criteria. Even where it seems that the price of financial instruments was not the best available, the order may still be considered executed on the terms most favorable to the client.

More information is available in The Policy for Execution of Orders in Financial Instruments, which is published on the Bank's website.

(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;

Except where specific instructions were received from the client, no other execution factors were given precedence over price and costs for orders from retail clients.

(g) 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.

The Bank has not used the output of consolidated tape provider.

Best execution quality monitoring

The Bank has performed detailed monitoring in assessing the quality of execution obtained on execution venues and entities. It was concluded that trades done with its execution venues and entities have been performed according to its best execution monitoring rules for the period from 1 January 2023 to 31 December 2023.

Definitions

Passive order – an order that is submitted to a venue which runs an order book and provided liquidity on the order book

Aggressive order – an order that is submitted to a venue which runs an order book and took liquidity on the order book

Directed order – an order where a specific execution venue was specified by the client prior to the execution of the order

Top 5 Execution Entities, Retail Clients Luminor Bank AS - 2023

Class of Instrument	Equities – Shares & Depositary Receipts - Tick size liquidity bands 1 and 2				
Notification if <1 average trade per business day in the previous year	N				
Top five execution entities 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Bank A/S - 549300TL5406IC1XKD09	99.54%	99.79%	58.04%	41.96%	
Citigroup Global Markets Europe AG - 6TJCK1B7E7UTXP528Y04	0.46%	0.21%	100.00%		

Class of Instrument	Equities – Shares & Depositary Receipts - Tick size liquidity bands 3 and 4				
Notification if <1 average trade per business day in the previous year	N				
Top five execution entities 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Bank A/S - 549300TL5406IC1XKD09	99.10%	99.87%	64.61%	35.39%	
Citigroup Global Markets Europe AG - 6TJCK1B7E7UTXP528Y04	0.90%	0.13%	100.00%		

Class of Instrument	Equities – Shares & Depositary Receipts - Tick size liquidity bands 5 and 6				
Notification if <1 average trade per business day in the previous year	N				
Top five execution entities 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Bank A/S - 549300TL5406IC1XKD09	99.85%	99.83%	57.69%	42.31%	
Citigroup Global Markets Europe AG - 6TJCK1B7E7UTXP528Y04	0.15%	0.17%	100.00%		

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 five execution entities 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Saxo Bank A/S - 549300TL5406IC1XKD09	98.85%	98.90%	38.4%	61.6%	
Citigroup Global Markets Europe AG - 6TJCK1B7E7UTXP528Y04	1.15%	1.10%	100.0%		

Class of Instrument	Debt Instruments – Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top five execution entities 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Luminor Bank AS - 213800JD2L89GGG7LF07	91.85%	57.54%	100.00%		
Saxo Bank A/S - 549300TL5406IC1XKD09	8.00%	42.18%	53.71%	46.29%	
J.P. Morgan SE - LEI 549300ZK53CNGEEI6A29	0.15%	0.28%	100.00%		

Class of Instrument	Other				
Notification if <1 average trade per business day in the previous year	N				
Top five execution entities 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 percentage of total in that class	Percentage of passive orders	Percentage of aggressive orders	Percentage of directed orders
Nordea Investment Funds S.A. - 549300LCQUXMRSWPKT48	53.73%	48.82%		100.00%	
Luminor Bank AS - 213800JD2L89GGG7LF07	22.47%	33.19%		100.00%	
Saxo Bank A/S - 549300TL5406IC1XKD09	18.37%	16.95%		100.00%	
CITIBANK N.A. in London - E57ODZWZ7FF32TWEFA76	5.31%	0.85%		100.00%	
UBS Fund Services (Luxembourg) - 549300CNBSTI3XQHVE91	0.12%	0.09%		100.00%	