

RTS 28 Article 3.3 Conclusions

30 April 2021

Nordnet’s summary of analysis and conclusions drawn from our detailed monitoring regarding the quality of execution in 2020.

In accordance with Directive 2014/65/EU, Nordnet Bank AB (Nordnet) takes all sufficient steps to obtain the best possible results for our clients when either executing orders or transactions on behalf of clients or when transmitting orders or transactions to other entities for execution (known as “Best Execution”).

To ensure that we constantly are able to deliver the best possible results to our clients, we continuously monitor the quality of execution provided by venues and brokers, and whether these continue to meet our standards.

Nordnet has a policy and processes in place to ensure we meet our obligations to our clients, taking into account certain factors, criteria and execution venues. These are outlined in Nordnet’s Guidelines for execution of orders and aggregation and allocation of orders. This document, together with data published on our webpage, describe the execution venues and brokers most frequently used by Nordnet as well as the quality of execution obtained.

In 2020 Nordnet has not executed or forwarded any client orders regarding instrument classes (c) Interest rates derivatives, (d) credit derivatives, (e) currency derivatives, (f) Structured finance instruments, (i) Commodities derivatives and emission allowances Derivatives, (j) Contracts for difference or (l) Emission allowances during 2020. Neither the report published in accordance with the delegated Regulation 2017/575 Article 65 (6) or this summary of the analysis therefore covers client orders in such instruments.

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Equities – Shares & Depositary Receipts

This class of instrument covers:

- Tick size liquidity bands 5 and 6 (from 2000 trades per day) – Highly liquid shares
- Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day) – Medium liquid shares
- Tick size liquidity band 1 and 2 (from 0 to 79 trades per day) – Less liquid shares

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 (RTS 28, Art 3, para 3(a));

The relative importance of best execution factors is taken into consideration when analyzing performance and execution quality. We refer to Nordnet's Guidelines for execution of orders and aggregation and allocation of orders for a description of execution factors and the relative importance.

In our analysis of execution quality, we consider price and cost as the most important factors when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));

Nordnet has no close links, conflicts of interest or common ownership with respect to any external execution venues used to execute orders.

Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));

Nordnet does not have any specific arrangements with any external execution venues or brokers used to execute client orders regarding payments made or received, discounts, rebates or non-monetary benefits received. Nordnet is subject to each execution venues public fee list, including its rebates and discounts.

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 (RTS 28, Art 3, para 3(d));

Oslo Børs was bought by Euronext and changed name during 2020, otherwise no changes.

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 (RTS 28, Art 3, para 3(e));

The order execution arrangement does not differ with client categorisation.

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 (RTS 28, Art 3, para 3(f));

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.

Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));

Nordnet monitors the quality of execution on a regular basis. This monitoring is based on independent market data on which to compare the execution quality.

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 RTS 28, Art 3, para 3(h));

Nordnet has not used any output from a consolidated tape provider (CTP) in its analysis of the quality of execution.

Top five venues: Equities – Shares & Depositary Receipts

Table 1: Retail clients

Class of instrument	Tick size liquidity bands 5 and 6 (from 2000 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
XOSL – OSLO BORS	75,8%	28,1%	54,5%	41,6%	0,0%
XSTO – NASDAQ STOCKHOLM AB	15,0%	38,3%	48,7%	43,6%	16,2%
XHEL – NASDAQ HELSINKI LTD	3,8%	17,2%	50,5%	40,3%	0,6%
XCSE – NASDAQ COPENHAGEN A/S	3,6%	12,3%	51,7%	40,4%	1,5%
MERK – EURONEXT GROWTH - OSLO	1,5%	1,4%	48,9%	47,9%	0,0%

Class of instrument	Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
SSME – FIRST NORTH SWEDEN - SME GROWTH MARKET	28,7%	24,0%	49,5%	47,1%	0,0%
XSAT – SPOTLIGHT STOCK MARKET	21,1%	5,5%	54,5%	40,3%	0,0%
XOSL – OSLO BORS	17,6%	21,9%	50,1%	45,5%	0,0%
NSME – NORDIC SME	9,7%	3,2%	50,7%	44,5%	0,0%
XSTO – NASDAQ STOCKHOLM AB	8,3%	21,2%	50,3%	44,3%	19,5%

Class of instrument	Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
NSME – NORDIC SME	29,1%	4,7%	51,7%	41,8%	0,0%
XSAT – SPOTLIGHT STOCK MARKET	25,8%	18,8%	55,0%	38,2%	0,0%
MERK – EURONEXT GROWTH - OSLO	16,8%	2,8%	45,5%	48,3%	0,0%
SSME – FIRST NORTH SWEDEN - SME GROWTH MARKET	12,1%	18,5%	46,8%	48,7%	0,0%
XOSL – OSLO BORS	3,7%	11,3%	43,7%	48,2%	0,0%

Top five brokers: Equities – Shares & Depository Receipts

Table 2: Retail clients

Class of instrument	Tick size liquidity bands 5 and 6 (from 2000 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
PERSHING LLC - ZI8Q1A8EI8LQFJNM0D94	100,0%	100,0%	N/A	N/A	0,0%

Class of instrument	Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
PERSHING LLC - ZI8Q1A8EI8LQFJNM0D94	100,0%	100,0%	N/A	N/A	0,0%

Class of instrument	Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
PERSHING LLC - ZI8Q1A8EI8LQFJNM0D94	100,0%	100,0%	N/A	N/A	0,0%

Debt instruments

This class of instrument covers:

- Bonds
- Money market instruments

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 (RTS 28, Art 3, para 3(a));

The relative importance of best execution factors is taken into consideration when analyzing performance and execution quality. We refer to Nordnet's Guidelines for execution of orders and aggregation and allocation of orders for a description of execution factors and the relative importance.

In our analysis of execution quality, we consider price and cost as the most important factors when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));

Nordnet has no close links, conflicts of interest or common ownership with respect to any external execution venues used to execute orders.

Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));

Nordnet does not have any specific arrangements with any external execution venues or brokers used to execute client orders regarding payments made or received, discounts, rebates or non-monetary benefits received. Nordnet is subject to each execution venues public fee list, including its rebates and discounts.

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 (RTS 28, Art 3, para 3(d));

No such changes have occurred during 2020.

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 (RTS 28, Art 3, para 3(e));

The order execution arrangement does not differ with client categorisation.

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 (RTS 28, Art 3, para 3(f));

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.

Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));

Nordnet monitors the quality of execution on a regular basis. This monitoring is based on independent market data on which to compare the execution quality.

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 RTS 28, Art 3, para 3(h));

Nordnet has not used any output from a consolidated tape provider (CTP) in its analysis of the quality of execution.

Top five venues: Debt instruments

Table 3: Retail clients

Class of instrument	Bonds				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
XSTO – NASDAQ STOCKHOLM AB	97,5%	88,4%	0,0%	0,0%	0,0%
FNSE – FIRST NORTH SWEDEN	2,5%	11,5%	10,7%	28,5%	0,0%
NSME – NORDIC SME	0,0%	0,1%	0,0%	75,0%	0,0%

Equity derivatives

This class of instrument covers:

- Futures and options admitted to trading on a trading venue
- Swaps and other equity derivatives

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 (RTS 28, Art 3, para 3(a));

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Nordnet has not used any output from a consolidated tape provider (CTP) in its analysis of the quality of execution.

Top five venues: Equity derivatives

Table 4: Retail clients

Class of instrument	Equity derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
SEED – NASDAQ STOCKHOLM AB - SWEDISH EQ DERIVATIVES	96,8%	99,3%	0,0%	0,0%	0,0%
NOED – NASDAQ STOCKHOLM AB - NORWEGIAN EQ DERIVATIVES	2,8%	0,6%	0,0%	0,0%	0,0%
DKED – NASDAQ STOCKHOLM AB - DANISH EQ DERIVATIVES	0,4%	0,2%	0,0%	0,0%	0,0%

Securitized Derivatives

This class of instrument covers:

- Warrants and Certificate Derivatives
- Other securitized derivatives

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 (RTS 28, Art 3, para 3(a));

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In our analysis of execution quality, we consider price and cost as the most important factors when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));

Nordnet has no close links, conflicts of interest or common ownership with respect to any external execution venues used to execute orders.

Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));

Nordnet does not have any specific arrangements with any external execution venues or brokers used to execute client orders regarding payments made or received, discounts, rebates or non-monetary benefits received. Nordnet is subject to each execution venues public fee list, including its rebates and discounts.

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 (RTS 28, Art 3, para 3(d));

Nordnet stopped offering warrants and certificates on Oslo Børs during 2020 in connection with Oslo Børs was bought by Euronext, otherwise no changes.

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 (RTS 28, Art 3, para 3(e));

The order execution arrangement does not differ with client categorisation.

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 (RTS 28, Art 3, para 3(f));

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.

Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));

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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 RTS 28, Art 3, para 3(h));

Nordnet has not used any output from a consolidated tape provider (CTP) in its analysis of the quality of execution.

Top five venues: Securitized Derivatives

Table 5: Retail clients

Class of instrument	Securitized Derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
FNSE – FIRST NORTH SWEDEN	33,9%	37,8%	37,6%	62,2%	0,0%
NMTF – NORDIC MTF	32,5%	13,7%	31,9%	64,3%	0,0%
ONSE – FIRST NORTH SWEDEN - NORWAY	12,4%	3,9%	8,5%	14,8%	0,0%
FNDK – FIRST NORTH DENMARK	10,3%	7,7%	44,5%	55,5%	0,0%
FNFI – FIRST NORTH FINLAND	4,9%	36,0%	43,7%	56,3%	0,0%

Top five brokers: Securitized Derivatives

Table 6: Retail clients

Class of instrument	Securitized Derivatives				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
PERSHING LLC - ZI8Q1A8EI8LQFJNM0D94	100,0%	100,0%	N/A	N/A	0,0%

Exchange Traded Products

This class of instrument covers:

- Exchange traded funds, exchange traded notes and exchange traded commodities

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 (RTS 28, Art 3, para 3(a));

The relative importance of best execution factors is taken into consideration when analyzing performance and execution quality. We refer to Nordnet's Guidelines for execution of orders and aggregation and allocation of orders for a description of execution factors and the relative importance.

In our analysis of execution quality, we consider price and cost as the most important factors when executing orders of a size that can be traded at current market levels while other factors have a higher relative importance when dealing with orders of a higher degree of complexity.

Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders (RTS 28, Art 3, para 3(b));

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Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received (RTS 28, Art 3, para 3(c));

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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 (RTS 28, Art 3, para 3(d));

Nordnet stopped offering Exchange Traded Funds on Oslo Børs during 2020 in connection with Oslo Børs was bought by Euronext, otherwise no changes.

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 (RTS 28, Art 3, para 3(e));

The order execution arrangement does not differ with client categorisation.

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 (RTS 28, Art 3, para 3(f));

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.

Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27 (RTS 28, Art 3, para 3(g));

Nordnet monitors the quality of execution on a regular basis. This monitoring is based on independent market data on which to compare the execution quality.

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 RTS 28, Art 3, para 3(h));

Not applicable for this class of instrument in 2020.

Top five venues: Exchange Traded Products

Table 8: Retail clients

Class of instrument	Exchange Traded Products				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
XSTO – NASDAQ STOCKHOLM AB	48,1%	26,9%	55,9%	29,3%	0,0%
XCSE – NASDAQ COPENHAGEN A/S	34,8%	64,4%	26,5%	35,5%	0,0%
ESTO – NASDAQ STOCKHOLM AB – NORWAY ETF	17,0%	7,1%	61,6%	35,4%	0,0%
XHEL – NASDAQ HELSINKI LTD	0,1%	1,6%	53,4%	40,4%	0,0%

Top five brokers: Exchange Traded Products

Table 9: Retail clients

Class of instrument	Exchange Traded Products				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues ranked in terms of trading volumes (in 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
PERSHING LLC - Z18Q1A8EI8LQFJNM0D94	100,0%	100,0%	N/A	N/A	0,0%