



MeDirect Bank (Malta) plc

**MiFID II: Quality of Execution
Top Five Execution Venue Reporting and
Financial Intermediaries Reporting**

Summary of the Analysis of Execution Quality of Orders

In compliance with Commission Delegated Regulation (EU) 2017/576 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the annual publication by investment firms of information on the identity of execution venues and on the quality of execution, MeDirect Bank (Malta) plc (hereafter “MeDirect” or “the Bank”) provides “top five execution venues” report (for orders executed by the Bank and orders transferred to third parties for execution) for each class of financial instrument, as well as a quantitative and qualitative assessment of the performance of the parties through which MeDirect executes these orders.

Introduction

The Bank annually reviews and updates its Best Execution Policy to ensure that it constantly addresses the requirements stemming from the regulations mentioned above. In line with the RTS28, the Bank is also making public the below information.

- (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**

In accordance with its Best Execution Policy, the Bank takes all sufficient steps to obtain the best possible result for the customer taking into account the following parameters: price, implicit and explicit costs, speed, likelihood of execution and settlement, size and nature of the order or any other consideration relevant to the execution of the order.

The Bank treats all its customers as Retail customers, consequently, for all asset classes, total consideration of execution price and cost is the key driver of Best Execution, encompassing execution venue fees, clearing and settlement fees and any other fees paid to agents involved in the execution of the Order.

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

MeDirect has no links, conflicts of interest, or shareholder relations with any execution venue on which the orders in financial instruments can be executed.

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

MeDirect has no specific arrangements with execution venues regarding the receipt of payments, rebates, discounts or any other non-monetary compensations.

- (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;

During the year under review, the execution venues for the respective financial instruments were not changed as there was no indication that this would improve results for the execution of orders.

- (e) an explanation of how order execution differs according to client categorization, where the firm treats categories of clients differently and where it may affect the order execution arrangements

The Bank offers two different types of order execution services:

- receiving and transmitting of client orders to financial intermediaries;
- execution of orders by the Bank, on behalf of the client.

All MeDirect clients are considered as non-professional clients, thus there is no differentiation between the execution rules and framework for MeDirect clients, based upon their classification as professional or non-professional clients.

- (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;

In case of a specific instruction received from a customer that contradicts part of or all the arrangements of the Bank to ensure Best Execution as detailed in the Best Execution Policy, the specific instruction will take precedence over the standard approach of the Bank. In case a customer instructs the Bank to execute an order considering a specific execution factor, the Bank will, where possible, execute the order in accordance with this specific instruction. A specific instruction issued for a transaction is valid only for that single transaction.

In no other case is another criterion given precedence over immediate price and cost when executing retail client orders.

- (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 2017/575;

As securities listed on the Malta Stock Exchange are never quoted outside the regulated market, the customer will always get the best price.

In the case of securities listed outside of Malta, all orders in international Bonds, Equities and ETFs are transferred to Saxo Bank for execution. In reviewing the quality of executions, Saxo Bank follows a governance process whereby executions are assessed for outliers. These outliers are reviewed using internal as well as external, independent data sources. In addition to this, Transaction Cost Analysis available from Saxo's Executing Brokers and Venues of execution is also being used for execution quality monitoring. Any systematic deviations are rectified by making necessary changes, for example, configuration of smart order routers. In addition to internal monitoring, Saxo Bank benchmarks as follows:

- International Equities and ETFs - Saxo uses an external, independent vendor for benchmarking of equity trades. Benchmarking of client executions occurs on the basis that the benchmark price should reflect the best possible execution an order could achieve should an order be sent to the LIT execution venues with the best price available at the time of the execution.
- International Bonds - Saxo uses an external, independent vendor for benchmarking of fixed income client executions. Benchmarking occurs on the basis that the benchmark price indicates the best possible price in the market when trading institutional sizes. As the benchmark price is indicative, and because Saxo clients mostly trade retail sizes, the benchmark price is however only part of the overall assessment of the fairness in the execution price.

- (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.

The Bank does not use any CTP for its Best execution analysis.

Execution of Orders on behalf of Customers

Class of Instrument	Debt Instruments (Bonds)				
Notification if <1 average trade per business day in the previous year	Y				
Top five execution venues 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
Malta Stock Exchange 5299009CKES2S5E3YG94	99.39%	99.41%	100.00%	0.00%	0.00%
Bloomberg Trading Facility Ltd 549300ROEJDDAXM6LU05	0.61%	0.59%	37.84%	62.16%	0.00%

Class of Instrument	Equities – Shares and Depository Receipts				
Notification if <1 average trade per business day in the previous year	N				
Top five execution venues 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
(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)					
Malta Stock Exchange 5299009CKES2S5E3YG94	0.00%	0.41%	100.00%	0.00%	0.00%
(ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)					
Malta Stock Exchange 5299009CKES2S5E3YG94	-	-	-	-	-
(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)					
Malta Stock Exchange 5299009CKES2S5E3YG94	98.73%	97.37%	100.00%	0.00%	0.00%
Tick size liquidity band not available					
Malta Stock Exchange 5299009CKES2S5E3YG94	1.27%	2.23%	100.00%	0.00%	0.00%

Reception and Transmission of Orders

Class of Instrument	Debt Instruments (Bonds)				
Notification if <1 average trade per business day in the previous year	Y				
Top five financial intermediaries 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 AS 549300ROEJDDAXM6LU05	97.76%	96.28%	100.00%	0.00%	0.00%
KBC Bank Nv 6B2PBRV1FCJDMR45RZ53	0.86%	0.93%	100.00%	0.00%	0.00%
BNP Paribas UK Limited CGKPTUL0E6IWC1NOM75	0.52%	0.93%	100.00%	0.00%	0.00%
Guy Butler Limited 213800AG2H8MB5FGJ538	0.54%	0.93%	100.00%	0.00%	0.00%
JP Morgan Securities Plc K6Q0W1PS1L1O4IQL9C32	0.30%	0.47%	100.00%	0.00%	0.00%

Class of Instrument	Exchange Traded Funds (ETFs)				
Notification if <1 average trade per business day in the previous year	Y				
Top five financial intermediaries 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 AS 549300ROEJDDAXM6LU05	72.37%	74.61%	18.81%	81.19%	0.00%
Instinet Europe Limited 213800MXAKR2LA1VBM44	27.63%	25.39%	22.93%	77.07%	0.00%

Class of Instrument	Equities – Shares and Depository Receipts				
Notification if <1 average trade per business day in the previous year	N				
Top five financial intermediaries 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
(i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)					
SAXO Bank AS 549300ROEJDDAXM6LU05	80.80%	77.30%	29.16%	70.84%	0.00%
Instinet Europe Limited 213800MXAKR2LA1VBM44	19.20%	22.70%	36.43%	63.57%	0.00%
(ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)					
SAXO Bank AS 549300ROEJDDAXM6LU05	73.22%	73.85%	29.89%	70.11%	0.00%
Instinet Europe Limited 213800MXAKR2LA1VBM44	26.78%	26.15%	38.20%	61.80%	0.00%
(iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)					
SAXO Bank AS 549300ROEJDDAXM6LU05	83.02%	83.83%	25.88%	74.12%	0.00%
Instinet Europe Limited 213800MXAKR2LA1VBM44	16.98%	16.17%	37.05%	62.95%	0.00%
Tick size liquidity band not available					
SAXO Bank AS 549300ROEJDDAXM6LU05	82.21%	79.39%	19.72%	80.28%	0.00%
Instinet Europe Limited 213800MXAKR2LA1VBM44	17.79%	20.61%	40.42%	59.58%	0.00%