

2021 RTS 28 Report - Summary of the analysis

[BNP PARIBAS S.A. FX DERIVATIVES]

In accordance with the requirements of Article 27 of the European Directive 2014/65/EU on financial instruments "MiFID II" and the associated regulatory technical standards ("RTS 28"), this report has been published to provide details of the top five venues execution venues in which BNP Paribas executed client orders during 2020 for each class of instrument as defined in MiFID II. The information provided is supplemented with analysis and conclusions based on the data provided for each asset class.

This report and BNP Paribas Order Handling and Execution Policy is available via the following web address: <https://cib.bnpparibas.com/MIFID>

Table 1: MiFID II Best Execution per Venue, Retail Clients

| Class of Instrument | [E] CURRENCY DERIVATIVES (I) FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE | | | | |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------|---------------------------------|-------------------------------|
| 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 |
| BNP PARIBAS (BNPS) | 100.00 % | 100.00 % | 0.00 % | 100.00 % | 0.00 % |

| Class of Instrument | [E] CURRENCY DERIVATIVES (II) SWAPS, FORWARDS, AND OTHER CURRENCY DERIVATIVES | | | | |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------|---------------------------------|-------------------------------|
| 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 |
| BNP PARIBAS (BNPS) | 100.00 % | 100.00 % | 0.00 % | 100.00 % | 0.00 % |

Table 2: MiFID II Best Execution per Venue, Professional Clients

| | | | | | |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------|---------------------------------|-------------------------------|
| Class of Instrument | [E] CURRENCY DERIVATIVES (I) FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE | | | | |
| 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 |
| BNP PARIBAS (BNPS) | 100.00 % | 100.00 % | 0.00 % | 100.00 % | 0.00 % |

| | | | | | |
|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------|---------------------------------|-------------------------------|
| Class of Instrument | [E] CURRENCY DERIVATIVES (II) SWAPS, FORWARDS, AND OTHER CURRENCY DERIVATIVES | | | | |
| 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 |
| BNP PARIBAS (BNPS) | 100.00 % | 100.00 % | 0.00 % | 100.00 % | 0.00 % |

Table 3: Brokers Reports - Professional Clients

| | | | | | |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------|------------------------------|---------------------------------|-------------------------------|
| Class of Instrument | [E] CURRENCY DERIVATIVES (I) FUTURES AND OPTIONS ADMITTED TO TRADING ON A TRADING VENUE | | | | |
| 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 |
| BNP PARIBAS SECS CORP (RCNB6OTYUAMMP879YW96) | 100 % | 100 % | 100.00 % | 0.00 % | 100.00 % |

Note: BNP Paribas volume includes client orders executed on various trading venues including Bloomberg, FXALL, FXCONNECT and 360T amongst others as these venues had no regulatory status under MIFID I. A breakdown on brokers was not available in the data used to produce this report.

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A. 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 assessing the relative importance given to execution factors, BNP Paribas will take into account the following criteria for determining the relative importance of the execution factors.

- The characteristics of the client including the regulatory categorisation of the client;
- The characteristics of the relevant order;
- The characteristics of financial instruments that are the subject of the relevant order; and
- The characteristics of the execution venue to which that relevant order can be directed.

Subject to any specific instructions, taking into account the criteria above, BNP Paribas will generally prioritise the execution factors in the following order:

- i. Size of the request
- ii. Speed and Price
- iii. Likelihood of execution
- iv. Likelihood of settlement
- v. Ability of execution venue to manage the quotation request

We may re-prioritise one or more of the execution factors in circumstances such as:

- (i) Prevailing market liquidity is such that an excessive or disorderly market impact would result from immediate execution the order; or
- (ii) Where a client issues specific instructions as to how to work the order; or
- (iii) Where an order is executed via an algorithm the client can select various parameters which may change the priority of execution factors. The relevant documentation for each algorithm can be referenced for details.
- (iv) We determine that there are other circumstances such that obtaining the best immediately available price may not be the best possible result for the client. In these cases, we will determine the relative priority of each execution factor on an case-by-case basis

B. Description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;

BNP Paribas and persons connected with BNP Paribas provide diversified financial services to a broad range of clients and counterparties and this may on occasion lead to a conflict of interest.

BNP Paribas may execute transactions in certain asset classes with or through affiliated entities. Execution quality received from affiliated entities is subject to the same monitoring and assessment applied to third party entities and execution venues utilized by BNP Paribas for execution of client orders.

In addition, BNP Paribas entities may have (i) minor, non-controlling ownership stakes in companies which operate or own execution venues and/or; (ii) be founding consortia members of execution venues for which it has revenue share arrangements, which BNP Paribas may use to execute orders on behalf of clients in certain financial instruments.

The predominant market practice in currency swaps, forwards and derivatives is for the client to select the execution venue. However where discretion is given to BNP Paribas the decision to route orders to a particular venue for execution is determined by whether execution on such venues allows us to satisfy our best execution obligations and is not influenced by any such ownership or revenue share arrangements.

For further details on the execution venues used by the BNP Paribas and its conflicts of interest policy, please refer to the best execution summary which is available at:

<https://cib.bnpparibas.com/MIFID>

C. Description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;

Some Execution Venues may offer differing fee plans to trading members depending on the volume and nature/type of a trading activity on the venue as well as fee discounts depending on average volume of trading undertaken. Such arrangements apply equally to all trading members who satisfy the relevant criteria under the Execution Venues rules. Information on such arrangements is publically available on the relevant Execution Venues website. The choice of execution venue for this asset class is generally made by the client. However where discretion is given to BNP Paribas the decision to route orders to a particular venue for execution is determined by whether execution on such venues allows us to satisfy our best execution obligations and is not influenced by any such discounts, rebates or non-monetary benefits received.

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D. 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;

There has been no change to the execution venues listed in the BNP Paribas execution policy for the reporting period.

E. 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;

A client’s regulatory categorisation is an important factor both in the assessment of whether the client is relying on BNP Paribas to deliver best execution and in providing best execution. The starting presumption is that retail clients do legitimately rely on BNP Paribas to protect their interests in relation to pricing and other elements of the transaction that may be affected by the choice made by BNP Paribas in executing the relevant order (i.e. BNP Paribas owes a duty of best execution to retail clients) and professional clients do not legitimately rely on BNP Paribas to protect their interests; however, these presumptions may be revised depending on the application of the four-fold test for determining legitimate reliance (set out below) to the particular circumstances of BNP Paribas’ interaction with the client and how the market operates for the relevant product.

Legitimate Reliance:

To determine whether a client is legitimately relying on BNP Paribas to protect its interests, the following factors are considered:

- which party initiates the transaction - where BNP Paribas approaches the client and suggests that the client should enter into a transaction, it is more likely that the client will be placing reliance on BNP Paribas. Where the client initiates the transaction it is less likely that the client will be placing reliance on BNP Paribas;
- market practice and the existence of a convention to ‘shop around’ - where the practice in the market in which a business area operates suggests that the client takes responsibility for the pricing and other elements of the transaction (e.g. there is a market convention to “shop around” for a quote), it is less likely that the client will be placing reliance on BNP Paribas;
- the relative levels of price transparency within a market - if BNP Paribas has ready access to prices in the market in which we operate and the client does not, it is more likely that the client will be placing reliance on BNP Paribas. If BNP Paribas’ access to pricing transparency is equal or similar to the client’s, it is less likely that the client will be placing reliance on BNP Paribas; and
- the information provided by BNP Paribas and any agreement reached - where BNP Paribas’ arrangements and agreements with the client do not indicate or suggest a relationship of reliance, it is less likely that the client will be placing reliance on BNP Paribas.

Under applicable law and regulation BNP Paribas is not obliged to provide best execution when it executes orders on behalf of eligible counterparties.

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F. 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;

Subject to any specific instructions, BNP Paribas will generally give the highest priority to total consideration for its retail clients. Notwithstanding any of the asset-class specific requirements, speed, likelihood of execution and settlement, the size and nature of the relevant order, market impact and any other implicit transaction costs may be given precedence over the immediate price and cost consideration only insofar as they are instrumental in delivering the best possible result in terms of the total consideration to the retail client. If BNP Paribas receives an order from a retail client that includes a specific instruction or specific instructions in relation to the handling and execution of the entire order or a particular aspect or aspects of an order (including selecting a particular execution venue, executing at a particular price or time or through the use of a particular strategy) then, subject to BNP Paribas' legal and regulatory obligations, BNP Paribas will execute the retail client's order in accordance with that specific instruction. Where the specific instruction covers only a portion of an order (for example, as to the choice of execution venue), and BNP Paribas has discretion over the execution of other elements of the order, then BNP Paribas will continue to be subject to the best execution obligation in respect of the elements of the order that are not covered by the client's specific instruction.

G. 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;

BNP Paribas utilises a number of processes to analyse the quality of its execution arrangements based on benchmark data where available.

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;

N/A