

Information on the execution quality achieved by Liechtensteinische Landesbank AG

1. Purpose

This report describes the measures and precautions taken by Liechtensteinische Landesbank AG (hereinafter referred to as the «LLB») in 2023 with the objective of achieving the best execution quality during the execution of client orders. The backdrop to the report is formed by the Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (Markets in Financial Instruments Directive, MiFID II) and, in particular, Article 27(6) of the MiFID II and Article 3 of the Commission Delegated Regulation (EU) 2017/576 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 (RTS28).

The report makes reference to the execution quality achieved for the following categories of financial instruments:

- Equity derivatives
- Exchange traded products
- Equities – Shares & Depositary Receipts
- Warrants and certificate derivatives
- Debt instruments
- Other instruments
- Structured finance instruments
- Securitised derivatives
- Currency derivatives
- Interest rate derivatives

The following categories of financial instruments were not offered by the LLB in 2023:

- Credit derivatives
- Contracts for differences
- Emission allowances

2. Execution criteria

The principles for executing orders in financial instruments (best-execution policy) can be accessed on the LLB website as part of the «Terms of Business of Liechtensteinische Landesbank AG». The LLB executes client orders through the execution channels and at the execution venues that are expected to deliver best execution in the interests of the client on a consistent basis.

In weighting the criteria for execution and execution venues, the objective is to achieve the best possible total consideration for the client. This includes the price of the financial instrument and all costs associated with order execution (e. g. clearing, settlement and other charges).

The total consideration is the sole criterion applied in executing the orders of both non-professional and professional clients. Such fair and equitable treatment ensures that both professional and non-professional clients receive the highest level of investor protection. The processes are structured in a manner that ensures client orders are executed as quickly as possible.

In cases of special market conditions or special portfolio strategies, the LLB may deviate from the sole principle of total consideration and give greater weight to factors

Other factors may be taken into account on the basis of client instructions, such as:

- The likelihood of order execution
- The speed and length of time required for full execution and settlement
- The execution venue.

3. Execution venues and counterparties

The LLB has defined standard counterparties and execution venues for various securities. If the LLB is a member of an execution venue (currently only applies to SIX Swiss Exchange), it exclusively executes orders with this main volume venue at this execution venue. The LLB executes the order independently if it acts in the capacity of OTC counterparty or systematic internaliser.

In all other cases, it forwards orders to other investment firms. In doing so, it ensures that the investment firm in question meets the criteria stipulated under MiFID II. This is assured on the basis of a criteria catalogue used during the selection of the investment firm and spot checks performed subsequent to the trades. The investment firms must, in particular, be able to offer smart order routing provided the financial instrument permits this.

Where a trading venue operates a request-for-quote (RFQ) trading system and also sets prices in the case of OTC trading (provided there are several market makers), the LLB obtains several price quotes with a view to achieving the best possible price.

4. Links and conflicts of interest / order executions and the selection of investment firms

In the «Terms of Business of Liechtensteinische Landesbank AG», the LLB describes its principles for dealing with potential conflicts of interest.

The execution venues and commissioned investment firms are selected in strict compliance with the requirement to protect client interests in accordance with section 3. To prevent the impairment of client interests, the comparison and selection of the execution venues and investment firms are performed on the basis of uniform, non-discriminatory attributes. In addition to the criterion of total consideration, other qualitative factors such as access to trading venues and technical connection options are used for the selection of execution venues and investment firms. The LLB is a member of SIX Swiss Exchange. The LLB is not involved in the selected execution venues and investment firms and also does not maintain any close links with them.

5. Agreements on made or received payments

The LLB does not have any agreements regarding payments or discounts with any execution venue or investment firm commissioned with executing orders.

6. Changes to the execution venues or investment firms

The LLB performed a quarterly review of the selection of execution venues and the commissioned investment firms via which client orders are executed. There were no changes with respect to the execution venues. Changes were made to the investment firms. These were taken into account in the «Execution venues and preferred counterparties of the LLB Group» document, the current version of which can be found on the LLB website.

7. Data for the assessment of the execution quality of the execution venues

The LLB periodically reviews the execution quality of the execution venues and investment firms by means of spot checks. In doing so, it uses internal and external data sources as well as various IT systems. The focus of the check is ensuring the achievement of the best possible total consideration for the client. The LLB also observes the market on a continuous basis.

8. Use of information from a provider of consolidated data tickers

The LLB does not use any information from a provider of consolidated data tickers.