



NOMURA

Quality of Execution Report

(For Calendar year 2019)

JUNE 2020

BANQUE NOMURA FRANCE

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Summary

Banque Nomura France (BNF) is authorized and regulated by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) and by the *Autorité des Marchés Financiers* (AMF). BNF provided the service of reception and transmission of orders on behalf of its clients from January 2nd 2019 until February 28th 2019 (following which it transferred its Global Markets activities to Nomura Financial Products Europe GmbH).

When providing the service of reception and transmission of orders, BNF was required to act in accordance with the best interests of its clients when transmitting clients' orders to other entities for execution. In order to comply with the obligations set out in the Commission Delegated Regulation (EU) 2017/565 (article 65) to act in accordance with the best interests of its clients, BNF had to take all sufficient steps to obtain the best possible result for its clients.

Selection of entities to which BNF was placing or passing orders

BNF did not execute any client's orders itself. BNF had in place policies and procedures according to which its clients' orders were transmitted to entities which had best execution policies and procedures in place. BNF ensured that the selected entities had best execution obligations to its clients: either because they had agreed to treat BNF as a professional client or because they had undertaken by contract to comply with best execution obligations.

For the selection of entities to which BNF was placing or passing orders for its clients, BNF took into account the price, cost, speed, likelihood of execution and settlement, size and nature of the client's order and any other consideration relevant to the order. These were known as the 'execution factors'. The relative importance of the execution factors on each of the client's order was influenced by the characteristics of the client, the characteristics of the client order, the characteristics of the financial instruments the order related to, the characteristics of the execution venues to which that order could be directed, which were known as the 'execution criteria'.

Transmission of orders to Nomura International Plc (NIP) and Instinet Europe Limited (IEL)

Unless otherwise instructed by the client, the received orders were transmitted to NIP or IEL for execution. NIP and IEL are both subject to the oversight of the Financial Conduct Authority (FCA) which meets the European standards and has implemented MiFID II in this respect. NIP and IEL owe their clients and therewith also BNF's clients the duty of best execution.

BNF made the above mentioned choice taking into consideration the capacity of NIP and IEL to obtain the best possible result for its clients. Orders were transmitted to:

- IEL for Cash Equities; and
- NIP for the other instruments (including debt products and interest rate derivatives).

Close links with NIP and IEL

BNF, NIP and IEL are part of the Nomura Group. The ultimate parent company of BNF, NIP and IEL is Nomura Holdings, Inc.

Specific arrangements with NIP and IEL

For trades intermediated by BNF, no payments were made directly by the clients to BNF, so there were no direct costs and charges paid to BNF. The costs and charges for the trade were based on the costs and charges calculation methodology of the executing entity, which could be NIP or IEL. Pre-trade costs and charges disclosures made by those entities applied to trades undertaken via the BNF sales function. There was a transfer pricing arrangement under which payments from NIP were made to BNF in relation to trades

undertaken by the BNF sales function. Based on the methodology for calculating this payment, it was not possible to allocate a specific amount to an individual trade.

Sending orders to BNF allowed the client to be in contact with a French Sales person who had a better understanding of his situation and was likely to improve the quality of service.

All BNF clients were also clients of NIP and/or IEL. Therefore, the Terms of Business and Best Execution Policies of NIP and/or IEL also applied to BNF clients.

No potential conflict of interest arising from the fact that BNF, NIP and IEL are part of the same group had been identified.