

## MiFID II

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Annual publication of information on  
the identity of execution venues and on  
the quality of execution

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2018

## Table of Contents

<b>I.</b>	<b>Background .....</b>	<b>3</b>
<b>II.</b>	<b>Scope .....</b>	<b>3</b>
<b>III.</b>	<b>Part I: The top five execution venues details (art. 3.1/3.2 of EU 2017/576) .....</b>	<b>4</b>
<b>IV.</b>	<b>Part II: Summary of analysis and conclusions on the quality of execution (art. 3.3 of EU 2017/576).....</b>	<b>6</b>

## I. Background

Under Delegated Regulation EU 2017/576<sup>1</sup>, investment firms are required to publish on an annual basis, information in relation to client orders executed on trading venues, systematic internalisers, market makers or other liquidity providers, or entities that perform a similar function in a third country.

The information shall include for each class of financial instruments:

- The top five execution venues in terms of trading volumes for all executed orders of Retail and Professional Clients (as defined in art.4.1 of EU 2014/65/EU, “MiFID II”), and
- A summary of investment firms’ analysis and conclusions on the quality of execution obtained for all client orders executed in the previous year.

## II. Scope

This report aims to cover all client orders executed on trading venues, systematic internalisers, market makers or other liquidity providers, or entities that perform a similar function in a third country.

It is important to note that Credit Agricole Corporate and Investment Bank transacts as dealer and trades directly against the client, acting as principal and dealing on its own account. As a result, it does not execute client orders on trading venues. Consequently, the firm is the venue for execution of orders and the client’s counterparty. Credit Agricole Corporate and Investment Bank uses its own internal sources of liquidity, for example by accessing liquidity providers for its own risk management. Moreover, Credit Agricole Corporate and Investment Bank will reduce any potential market impact. For example, large order sizes will be split before execution in the market, while only one ticket will be executed between Credit Agricole Corporate and Investment Bank and the client.

Credit Agricole Corporate and Investment Bank executes client orders as systematic internaliser for debt instruments, interest rate derivatives, currency derivatives and structured finance instruments.

For client orders that are executed outside our systematic internaliser, Credit Agricole Corporate and Investment Bank is neither market maker nor liquidity provider.

For the purposes of this section, please note that our answers apply to all classes of financial instruments as set out in Annex 1 of Delegated Regulation EU 2017/576.

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<sup>1</sup> <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017R0576&from=EN>

### III. Part I: The top five execution venues details <sup>2</sup>

#### Top five execution venues in terms of trading volumes for executed Retail Client orders (art. 3.1 of EU 2017/576)

Class of Instrument	Interest Rate derivatives / Swaps, Forwards, and other Interest Rates 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
CREDIT AGRICOLE CIB (1WUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Currency derivatives / 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
CREDIT AGRICOLE CIB (1WUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Bonds and others Debt instruments				
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
CREDIT AGRICOLE CIB (1WUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Equity derivatives / Options, Futures, Swap and Other 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 (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
CREDIT AGRICOLE CIB (1WUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Structured Finance Instruments				
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
CREDIT AGRICOLE CIB (1WUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

<sup>2</sup> For the purposes of Part I of this report, we used the FX spot as of 29/12/2017.

## Top five execution venues in terms of trading volumes for executed Professional Client orders (art. 3.1 of EU 2017/576)

Class of Instrument	Interest Rate derivatives / Swaps, Forwards, and other Interest Rates 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
CREDIT AGRICOLE CIB (1VUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Currency derivatives / 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
CREDIT AGRICOLE CIB (1VUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Bonds and others Debt instruments				
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
CREDIT AGRICOLE CIB (1VUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Equity derivatives / Options, Futures, Swap and Other 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 (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
CREDIT AGRICOLE CIB (1VUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Structured Finance Instruments				
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
CREDIT AGRICOLE CIB (1VUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

Class of Instrument	Options and Futures Commodities and other Commodities 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
CREDIT AGRICOLE CIB (1VUV7VQFKUOQSJ21A208)	100%	100%	Not Applicable	Not Applicable	Not Applicable

## Top five execution venues in terms of trading volumes for all executed client orders in SFTs (art. 3.2 of EU 2017/576)

Class of Instrument	SFT	
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
CREDIT AGRICOLE CIB (1VUV7VQFKUQGSJ21A208)	100%	100%

## IV. Part II: Summary of analysis and conclusions on the quality of execution (art. 3.3 of EU 2017/576)

- (a) Explanation of the relative importance the firm gave to the execution factors of price, costs, speed, and likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution.

As required by MiFID II, Credit Agricole Corporate and Investment Bank takes all sufficient steps to obtain, when executing orders, the best possible result for its clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order (the “Execution Factors”).

While price, size, speed and likelihood of execution are generally the decisive factors taken into account to obtain the best possible result for clients, the overall value for a client of a particular transaction may be affected by the other factors outlined above. The relative importance of each factor is determined by taking into account the following criteria:

- ✓ The characteristics of the client, including its classification;
- ✓ The characteristics of the client order;
- ✓ The characteristics of the financial instruments concerned by the order;

However, it is important to note that a client can give specific instructions as to how they wish their order to be executed. Should a client give order specific instructions, Credit Agricole Corporate and Investment Bank will meet its best execution obligation as long as the order, or a specific aspect of the order, is executed following the instructions given by the client.

When Credit Agricole Corporate and Investment Bank executes an order on behalf of a Retail Client, the best possible result shall be determined in terms of total consideration of the price of the financial instrument and the costs relating to execution. The latter shall include all direct expenses incurred by the client which directly relate to the execution of the

order, such as execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

On any given order, circumstances may indicate that any particular Execution Factor may play a greater or lesser role in achieving best execution. We set out in the table below the different priorities we apply in normal market and liquidity conditions when executing client orders.

Credit Agricole Corporate and Investment Bank has implemented an internal governance and control framework in order to review and monitor its best execution arrangements on a regular basis and upon material change. Where best execution is owed, Credit Agricole Corporate and Investment Bank will use all available means to justify best execution of its client orders.

Classification of order execution factors by importance (1 is the most important factor)

Product	Price	Cost	Speed of execution	likelihood	Order Size	Order type	Client Tiering
<b>FX</b>							
FX Option	1	1	2	1	1	2	1
Spot / Linear FX	1	2	1	2	1	1	1
<b>CREDIT</b>							
Covered Bonds	1	1	1	2	1	1	1
Investment Grade	1	1	1	2	1	1	1
Emerging Markets	1	1	1	2	1	1	1
High Yield	1	1	1	2	1	1	1
Medium Term Notes	1	1	2	2	1	1	1
Retail	1	2	1	1	1	1	1
<b>EQUITY</b>							
<b>Equity Derivatives</b>							
Swaps and other equity derivatives	1	2	2	1	1	N/A	1
Convertibles	1	2	1	1	1	N/A	1
<b>RATES</b>							
<b>Debt instruments</b>							
Bonds	1	1	1	2	2	1	1
<b>Interest rates derivatives</b>							
Futures and options admitted to trading on a trading venue NON LINEAR	1	2	1	1	2		1
Swaps, forwards, and other interest rates derivatives LINEAR	1	1	2	1	2	3	1
NON LINEAR	1	2	2	1	2	N/A	1
Option	1	2	1	1	2	N/A	2
<b>Other rates</b>							
<b>Currency derivatives</b>							
Swaps, forwards, and other currency derivatives LINEAR	1	1	2	1	2	3	1
NON LINEAR	1	2	2	1	2	N/A	1
<b>Other instruments</b>							
Repo and other fixed income secured funding instruments LINEAR	1	2	3	4	2	N/A	1
<b>TREASURY</b>							
<b>Debt instruments</b>							
Commercial Paper and Certificate of Deposit	1	2	3	2	2	N/A	1

Key: "LINEAR" refers to financial instruments with no volatility exposure; "NON LINEAR" refers to financial instruments with volatility exposure; "N/A" means Not Applicable in the sense that this particular factor for this specific instrument is irrelevant.

Example: the most important execution factors for FX options are price, cost, likelihood of execution, order size and client tiering whilst second order importance factors are speed of execution and order type.



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

As stated above, Credit Agricole Corporate and Investment Bank is acting as principal and dealing on its own account. As a result, it does not execute client orders on trading venues.

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

Credit Agricole Corporate and Investment Bank does not have any arrangements with execution venues apart from the fact that it is itself a Systematic Internaliser. However, there are no execution costs incurred by the client in this regard.

- (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.

Credit Agricole Corporate and Investment Bank executes orders directly against clients, acting as principal and dealing on its own account. As a result, it does not use a list of execution venues as part of its execution policy.

- (e) 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.

Order execution (handling of RFQs) can vary between different asset classes and between different client categories in several ways: It can –but doesn't systematically- impact (i) the bid-offer spread and (ii) the size for which a price is valid. The components of a price (level, size, etc.) not only vary between asset classes and products, but can also change over time, specifically during illiquid and/or volatile market conditions. Order execution and client experience can therefore vary over time and on the premise that certain elements such as price and size can be made in the context of the overall client relationship and overall client experience, as well as in the context of the asset class and its current prevailing market conditions.

- (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.

When dealing with Retail Clients, we will assume that the clients rely on us to protect their interests, hence we will apply Best Execution to all of the orders.. For the purposes of ensuring that Credit Agricole Corporate and Investment Bank obtains the best possible result for the client, in the absence of specific client instructions, we will strive to take into consideration all factors that will allow us to deliver the best possible result in terms of total consideration, including the price of the financial instrument and the costs related to execution. Speed, likelihood of execution and settlement, size, nature of the 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 total consideration for the retail client.

These factors may vary in case of stressed markets, depending on available liquidity. For large volumes and extreme volatility situations, exchange system constraints may require automated trading systems to be switched off and/or electronic order routing to be suspended in favour of manual execution. Such events may lead to execution delays and increased market volatility. .

In highly volatile markets, finding the best timing for execution is a priority, whereas in low liquidity markets, the priority will be to fulfil the Retail client's request in an orderly way.

- (g) Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under Delegated Regulation (EU) 2017/575.

Credit Agricole Corporate and Investment Bank did not collect execution data nor use any specific tool or the services of a third party data provider to assess execution data before delegated regulation (EU) 2017/575 came in force on 3 January 2018. The firm is now implementing processes in this regard.

- (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 data required to be published by consolidated tape providers is not yet available, Article 65 of Directive 2014/65/EU being in force since 3 January 2018. Consequently, Credit Agricole Corporate and Investment Bank has not been able to use this information in assessing execution data for the preceding year.