

# RTS 28 Qualitative Summary Report

## Reporting Period: January – December 2020

This asset class specific qualitative summary report is prepared pursuant to the obligations set out in Article 27 (6) of Directive 2014/65/EU ("MiFID II") and Article 3 of Commission Delegated Regulation (EU) 2017/576 ("RTS 28"), and outlines a summary of the analysis and conclusions drawn from our monitoring of the quality of execution obtained on the execution venues where the CS entities we transmit client orders to executed client orders in the previous year for each asset class.

This report makes specific reference to the quality of execution obtained with regards Equities: Shares & Depositary Receipts.

This report covers executed trades from the period January 1, 2020 to December 31, 2020.

### A. Explanation of the importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when making assessments of the quality of execution

The assessment of Execution Venues and Brokers is based on the factors as described in our policies that enable the desks of Credit Suisse (Deutschland) AG and the affiliated CS entities it routes client orders to obtain the best possible result when executing orders for our clients.

In order to achieve the best possible result for a client, CS affiliates will give consideration to a range of execution

factors when determining the best outcome. Some of the below factors are considered to be more important than others as further described in the Policy; however, there are situations where the relative importance of these factors may change in accordance with instructions that the client provides or broader market conditions.

The execution factors that the CS affiliates we route client orders to will consider are:

- Price – this is the price a financial instrument is executed at
- Costs – this includes implicit costs such as the possible market impact, explicit external costs e.g. exchange or clearing fees and explicit internal costs which represents Credit Suisse's own remuneration through commission or spread;
- Likelihood of execution or settlement – the likelihood that we will be able to complete a client transaction
- Speed – time it takes to execute a client transaction including settlement
- Size – this is the size of the transaction executed for a Client accounting for how this affects the price of execution; and
- Nature of the transaction or any other consideration relevant to the execution of the transaction – this is how the particular characteristics of a client transaction can affect how best execution is received.

Whilst they set out the order of relative priority, a variety of criteria are taken into account and appropriate consideration will be made on a transaction by transaction basis.

The above execution factors list indicates the importance exercising appropriate judgment in the best interests of the client given the differing needs and requirements of each client transaction and the broader market.

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

Credit Suisse (Deutschland) AG and the affiliated CS entities it routes client orders to maintain appropriate policies governing conflicts of interest which are strictly applied in relation to the bank's use of and interests in execution venues. A summary of our Global Conflicts of Interest Policy is available at

<https://www.credit-suisse.com/media/assets/investment-banking/docs/financial-regulatory/summary-conflicts-policy.pdf>

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

Credit Suisse (Deutschland) AG and the affiliated CS entities it routes client orders to periodically assess brokers and venues as described in the bank's Client Order Execution Policy. The periodic venue or broker selection process is based solely on their ability to help CS deliver the best result for clients in compliance with best execution on a consistent basis. At the point of trade execution, the selection of venues and brokers is undertaken by personnel who are not incentivized by any payments from venues nor brokers made or received, discounts, rebates or non-monetary benefits. CS policy governing giving and receiving gifts and entertainment which is designed to mitigate conflicts of interest risk is strictly applied.

**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 Suisse (Deutschland) AG only provided Receipt and Transmission of Orders service to its clients during the reporting period. The list of brokers that Credit Suisse (Deutschland) AG transmits client orders to was updated in the reporting period to exclude Credit Suisse Securities (USA) LLC, since there was no volumes associated with that broker.

**E. Explanation of how order execution differs according to client categorization, where the firm treats such category of client differently and where it may affect order execution arrangements**

As per Credit Suisse (Deutschland) AG's Client Order Execution Policy clients are treated as professional clients (the "client") of CS regardless of whether they are an elective professional client or a per se professional. This policy is not directed at, or intended for retail clients and should not be considered for such persons. Credit Suisse (Deutschland) AG does not differentiate between clients of different categorizations in determining how to execute client orders aiming to achieve the best result.

**F. Explanation of when 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**

Credit Suisse (Deutschland) AG, Global Markets, did not have any Retail clients during the reporting period.

**G. Explanation of how the investment firm has used any data or tools relating to the quality of execution including any data published under 27(10)(a) of Directive 2014/65/EU (execution quality reports published by execution venues)**

Credit Suisse (Deutschland) AG only provided Receipt and Transmission of Orders service to its clients during the reporting period. Credit Suisse (Deutschland) AG relied on the tools and data used by its brokers which offer clients a venue report showing where their orders have been executed, as well as performance analysis of their algorithmic orders. Credit Suisse (Deutschland) AG's broker's Smart Order Routing technology solution determines factors relevant to the quality of the execution on a particular venue dynamically intraday. In addition to this, Credit Suisse (Deutschland) AG's brokers conduct regular execution price monitoring reviews to monitor for potential execution outliers. For the electronic flows, Credit Suisse (Deutschland) AG's brokers also provide real-time population of the FIX tags (e.g., Tag 30, 29 and 851) that can assist clients with their own best execution analysis.

**H. Explanation of how the investment firm has used, if applicable, output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU which will allow for the development of enhanced measures of execution quality or any other algorithms used to optimize and assess execution performances.**

Credit Suisse (Deutschland) AG conducts only the service of Receipt and Transmission of orders and therefore it does not use output from a consolidated tape provider.