

As part of the European Directive 2014/65/EU (Mifid II), which took effect on January 3rd 2018, Exane Derivatives publishes on annual basis information on the TOP 5 EXECUTION VENUES and TOP 5 BROKERS. It also publishes information on the quality of execution for the different asset classes where it takes orders from clients.

Please note that this data and comments only concerns transactions where Exane Derivatives takes orders from its clients. In order to identify the transactions that had to be reported, we applied the Execution Policy that was in force in 2017 to identify the transactions on which we owed best execution. As a general rule, Exane Derivatives owed best execution when it acted in a riskless principal capacity or order execution on behalf of clients. For proprietary account negotiation, when a client chooses to transact with Exane, Exane Derivatives will owe best execution where Exane Derivatives has determined that the client is legitimately relying on Exane Derivatives following the application of the Four-Fold Cumulative Test.

The percentages expressed are percentages of the total number of client orders in that asset class that Exane Derivatives entered into in 2017.

The present RTS 28 report has been set up on a best effort basis, based on data available for year 2017, pre MIFID 2 implementation.

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EQUITY DERIVATIVES – (i) OPTIONS AND FUTURES ADMITTED TO TRADING ON A TRADING VENUE

TOP 5 EXECUTION VENUES Execution on behalf of clients						TOP 5 EXECUTION VENUES Negotiation on Own Account						TOP 5 BROKERS					
Notification if <1 average trade per business day in the previous year					No	Notification if <1 average trade per business day in the previous year					No	Notification if <1 average trade per business day in the previous year					Yes
	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive
EUREX - XEUR	66%	85%	100%			EUREX - XEUR	6%	4%	100%	100%		NEWEDGE	2.6%	0.5%	100%	0%	100%
EURONEXT PARIS - XPAR	16%	5%	100%			EURONEXT PARIS - XPAR	3%	1%	100%	100%		O2RNE8IBXP4R0TD8					
EURONEXT AMSTERDAM -	2%	3%	100%			EUREX- FLEX - XEUR	0.3%	0.2%	100%	100%		Exane Derivatives uses Newedge as a broker on limited occasions, mostly as a back up, for example in case of a technical issue or when Dealing personnel is over loaded and cannot guarantee timely execution. Newedge is also our clearer, which is an advantage because we do not have to re-open all give ups with all clients.					
IDEM - XDMI	2%	0.8%	100%			ICE EUROPE - IFEU	0.2%	0.0%	100%	100%							
ICE EUROPE - IFEU	2%	0.2%	100%			IDEM - XDMI	0.1%	0.0%	100%	100%							
This tables includes transactions where Exane acted in an order on behalf of clients capacity.						This table includes transactions where Exane Derivatives acted as principal and the client relied on us. This is a very limited part of the transactions that Exane Derivatives concludes in principal. Since Exane Derivatives provides prices, clients orders are deemed aggressive.											
Exane Derivatives is a registered Market Maker on Eurex, Euronext paris, ICE Europe and IDEM and accordingly receives rebates for his market Making activity on these venues. Exane Derivatives has no close link, conflict of interest or common ownership with respect to any of these execution venues.						Equity Derivatives contracts are not fungible between Exchanges. Therefore, Exane Derivatives only receives directed orders.											
Equity Derivatives contracts are not fungible between Exchanges Therefore, Exane Derivatives only receives directed orders where the client decides upon the execution venue.						For those highly liquid markets, Exane Derivatives privileges speed of execution and price versus other best execution factors. In addition, these transactions are reported to the Exchanges and comply with their rules.											
Except to the extent that a client gives specific instructions, Exane dealing personnel apply discretion when determining the timing and structure of order placement in the market, with the aim of achieving the best price given the size of the order, the liquidity available and the prevailing market conditions.						Exane Derivatives is a registered Market Maker on Eurex, Euronext Paris, ICE Europe and IDEM and accordingly receives rebates for his market Making activity on these venues. Exane Derivatives has no other close link, conflict of interest or common ownership with respect to any of these execution venues.											
Passive / aggressive data are not available for 2017. Though in general Exane Derivatives tends to execute orders on behalf of clients in equity derivatives in a passive mode.																	

EQUITY DERIVATIVES, (ii) SWAPS AND OTHER EQUITY DERIVATIVES

TOP 5 EXECUTION VENUES					
Negotiation on Own Account					
Notification if <1 average trade per business day in the previous year					Yes
	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive
EXANE DERIVATIVES 2FL5XIC1B8Q6HNGN6A	100%	100%	100%	100%	
<p>All such instruments are traded only on Exane Derivatives execution venue, as these are purely OTC instruments.</p> <p>For transactions in such instruments, Exane responds to RFQs from clients and provides firm executable prices acting as principal and trading at risk on its own account. When a client chooses to transact with Exane, Exane will owe best execution where Exane has determined that the client is legitimately relying on Exane following the application of the Four-Fold Cumulative Test.</p> <p>When Exane owes best execution:</p> <ul style="list-style-type: none"> o Exane fulfills its obligation through taking into consideration the size requested by the client, and its ability to make a firm commitment promptly, o Exane provides a fair price to the client. <p>Since Exane Derivatives provides prices, clients orders are deemed aggressive.</p>					

BONDS – CORPORATE & CONVERTIBLES

TOP 5 EXECUTION VENUES Execution on behalf of clients						TOP 5 EXECUTION VENUES Negotiation on Own Account						TOP 5 BROKERS					
Notification if <1 average trade per business day in the previous year					Yes	Notification if <1 average trade per business day in the previous year					No	Notification if <1 average trade per business day in the previous year					Yes
	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive		Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive
EURONEXT PARIS - XPAR	0.5%	0.03%	100%	Data not available		EXANE DERIVATIVES 2FLSXIC1B8Q6HNGN6A35	99%	99%	100%	100%		BANCA AKROS 549300GRXFI7D6PNEA68	0.9%	0.7%	100%	50%	50%
<p>Exane Derivatives is a member of Euronext Paris for bonds. The aim of the dealing personnel is to achieve the best price given the size of the order, the liquidity available and the prevailing market</p>						<p>Exane Derivatives enters into Bonds and Convertible Bonds transactions with its clients. This table presents the transactions where Exane Derivatives owed best execution to its clients :</p> <ul style="list-style-type: none"> - Riskless principal transactions where Exane Derivatives matched simultaneously buy and sell transactions. This concerned the vast majority of bonds transactions and a minority of Convertible bonds transactions. - Transactions where the client relies on us <p>The criteria of best execution considered were :</p> <ul style="list-style-type: none"> - For Convertible Bonds : size, speed of making a firm commitment and price - For Bonds : size, price, speed and likelihood of execution <p>Since Exane Derivatives provides prices, clients orders are deemed aggressive.</p>						<p>When Exane Derivatives received client instructions to buy or sell on a market where it has no membership, Exane Derivatives transmits the order to Banca Akros.</p> <p>Exane Derivatives has no close link, conflict of interest or common ownership with respect to Banca Akros.</p>					

EQUITIES – SHARES

TOP 5 BROKERS					
Notification if <1 average trade per business day in the previous year					No
	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive
EXANE LTD 213800SH9MTNZQJKP526	100%	100%	0%	36%	44%
<p>Exane Ltd is a recognised player on equity in Europe. Exane Ltd and Exane Derivatives both belong to the same group. There are no operational links between Exane Derivatives and Exane Ltd. However, these entities share the same central functions, including Middle and Back Office.</p>					

EXCHANGE TRADED PRODUCTS (ETFs ONLY)

TOP 5 BROKERS					
Notification if <1 average trade per business day in the previous year					Yes
	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive
EXANE SA 969500UP76J52A9OXU27	100%	100%	0%	97%	3%
<p>Exane SA has developed an expertise on ETFs : Market Making and execution. Exane SA and Exane Derivatives both belong to the same group. There are no operational links between Exane Derivatives and Exane SA. However, these entities share the same central functions, including Middle and Back Office.</p>					

SECURITISED DERIVATIVES, (i) WARRANTS AND CERTIFICATE DERIVATIVES

TOP 5 EXECUTION VENUES					
Negotiation on Own Account					
Notification if <1 average trade per business day in the previous year					No
	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Directed orders	Aggressive	Passive
EXANE DERIVATIVES 2FL5XIC1B8Q6HNGN6A35	100%	100%	100%	100%	
<ul style="list-style-type: none"> • This table includes transactions where Exane Derivatives acts as principal. In this case the execution venue is always Exane Derivatives. • Exane provides Best Execution when executing transactions in structured products issued by Exane and listed on a regulated market or MTF • Exane’s bids and offers take into consideration different factors such as the size of the order, and the price <p>Since Exane Derivatives provides prices, clients orders are deemed aggressive.</p>					

SECURITIES FINANCING TRANSACTIONS – EQUITY

Notification if <1 average trade per business day in the previous year		
		No
	Proportion of volume executed as a percentage of total in that class	Proportion of orders executed as percentage of total in that class
EXANE DERIVATIVES 2FL5XIC1B8Q6HNGN6A35	100%	100%
<p>As regards SFT, Exane Derivatives is only trading with clients on own account on an RFQ basis. Exane Derivatives is mostly trading with market counterparties which do not rely on Exane Derivatives for price formation. The clients who rely on Exane Derivatives are directly in contact with our securities finance trading desk. In addition to its interactions with other market counterparties the desk uses standard market tools to assess the fair price.</p>		