



BEST EXECUTION ANALYSIS REPORT
FOR THE YEAR OF 2018

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1. Best Execution Analysis Report DEGIRO

1.1 Introduction

MiFID II requires investment firms to take all sufficient steps to obtain the best possible result for retail and professional clients, when executing orders on behalf of clients or receiving and transmitting orders to a third party. In order to inform potential investors and clients about how DEGIRO achieves this, DEGIRO has established an Order Execution Policy that is publicly available on the website of DEGIRO via this [link](#). DEGIRO shall review at least annually the effectiveness of this policy and the and the framework put in place to execute and transmit orders.

With the application of MIFID II and Commission Delegated Regulation (EU) 2018/576¹ as of 3rd January 2018, DEGIRO is required to publish per class of financial instruments a report on the top five execution venues in terms of trading volumes for all executed client orders. DEGIRO is required to publish for each class of financial instruments, a summary of the analysis and conclusions drawn from the detailed monitoring of the quality of execution obtained on the execution venues where DEGIRO has executed client orders in the previous year.

For the top five execution venues, there are two sets of reports. One report shows the orders that are executed by DEGIRO on behalf of clients and the other report shows the orders that have been transmitted via a broker.

The data of the Venue and Broker Report and the summary of the analysis and conclusions are available for downloading by the public and accessible free of charge via the document center on DEGIRO's website.

1.2 Direct and Indirect Order Execution Report

The direct order execution report lists DEGIRO's top five execution venues in terms of trading volumes for all orders (per class of financial instruments) that the firm has executed during 2018, both: (1) directly on a trading venue (i.e. as a member of or participant in that venue); or (2) on an OTC basis directly with a counterparty. The data relating hereto is provided in the "Venue Report 2018".

The indirect order execution report lists DEGIRO's top five brokers in terms of trading volumes for all transactions during 2018 that DeGiro has executed by placing orders with another firm (e.g. a broker) for that other entity to execute orders on behalf of DEGIRO. The data relating hereto is provide in the" Broker Report 2018".

In the Broker Report and the Venue Report investors and clients can also find information on the percentage of total orders executed in the financial instrument class per venue and the ratio between passive and aggressive orders.

1.3 Definition of Financial Instrument Classes

A class of financial instruments should be narrow enough to reveal differences in order execution behavior between classes but at the same time broad enough to ensure that the reporting obligation on investment firms is proportionate. Given the breadth of the equity class of financial instruments, it is appropriate to divide this class into subclasses based on liquidity. As liquidity is an essential factor governing execution behaviors and as execution venues are often competing

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R0576>

to attract flows of the most frequently traded stocks, it is appropriate that equity instruments are classified according to their liquidity as determined under the tick size regime as set out in MIFID II. In order to make comparing between several investment firms easier ESMA has identified 22 (sub) classes of financial instruments. A classification of all these classes can be found in 'Appendix 1 – Classification of Financial Instruments'.

1.4 Best Execution Factors

In order to provide Best Execution, DEGIRO takes several execution factors into account to obtain the best possible result for clients. Factors that DEGIRO takes into consideration to achieve the best execution consist of but are not limited to:

- The price at which the client order can be executed;
- The costs of executing the client order;
- The speed at which the client order can be executed;
- Likelihood of execution;
- Settlement
- The size of the client order;
- The type of order.

When executing orders on client's behalf or receiving and transmitting orders to third parties, DEGIRO focusses primarily on price and costs (ranking of execution factors). All other factors are generally given equal weighting.

To enhance execution quality for certain markets and instruments a smart order router (SOR) is available. A specification of the current financial instruments classes and execution venues that are eligible for smart order routing can be consulted via the order routing page on DEGIRO's website via this [link](#). The only material change that had a significant impact on execution quality is the change from sending options orders to Euronext LIFFE via Morgan Stanley (instead of directly via own membership) and the RFC facility in order to receive possible price improvements and access additional liquidity. This has been changed in the beginning of Q4 2018.

1.6 Order Handling

The Order Execution Policy of DEGIRO is applicable for all clients who are classified as retail or professional clients. All client orders are handled equally regardless of client categorization. The Order Execution Policy does not apply to clients that DEGIRO classifies as eligible counterparties.

The execution method depends the type of order, the venue and the type of Financial Instrument. Accepted Orders always run through the system via a single sequential process. This means that there is always a sequence in the execution of the Orders. Orders are processed in order of receipt, in accordance with the following steps. For orders of the same Order type the 'first in, first out' (FIFO) order of priority applies. Apart from orders in funds that are aggregated at send one time per day DEGRIO does not aggregate client orders. It should be noted that the Order Execution Policy does not apply to (the part of) an Order with which the client has issued specific instructions.

1.7 Execution Venue Review

DEGIRO will always try to obtain the best order execution available on the venues that are accessible by DEGIRO. When executing orders on behalf of the clients or receiving and transmitting orders to a broker it might route orders to Regulated Markets (RMs), Multilateral

Trading Facilities (MTFs), Organized Trading Facilities (OTFs), Systematic Internalisers (Sis), market makers and liquidity providers that provide similar functions or platforms for non-listed products such as investment funds.

With respect to review of the current venue types, or when deciding to add new venues types, DEGIRO takes in consideration factors such as the availability of best pricing, additional liquidity, costs related to the of place execution (including connection costs for the venue of execution and the connected clearing and settlement infrastructure, execution fees, fees related to the submission, modification or cancellation of orders and any other fees involved), and trading hours.

All offered venue types are evaluated at least annually, or when a material change occurs, by a dedicated team of DEGIRO to ensure the specific venue types are still in line with the clients' needs and best interests. In addition, trading venues not yet offered are under (periodical) review to see if they can add value to DEGIRO's service and offering. DEGIRO realizes that the landscape of execution venues is very fragmented and is therefore constantly looking for new execution venues to be added to the current offering. No venues were added or removed during the full year of 2018. The venues accessed by DEGIRO in 2018 have performed satisfactorily.

1.6 Third Party Brokers

When DEGIRO makes use of a broker it will only do so with highly recognized parties and perform the proper due diligence necessary. DEGIRO will look at, including but not limited to, factors such as the Best Execution Policy, a well-established reputation, market coverage, settlement factors, execution costs and connectivity. All current and potential new third parties are checked against these criteria to verify if they are in line with the high standards of DEGIRO and with the best interest of the clients in mind. DEGIRO will review the third parties it has a significant relationship with at least annually or more often when it seems fit to do so. This way DEGIRO can ensure the quality and appropriateness of the execution arrangements and policies in place.

Third party brokers that DEGIRO placed significant reliance on during 2018 consist of:

- Morgan Stanley
- ABN AMRO Clearing Bank (AACB)
- Societe Generale
- Kasbank
- OHV

DEGIRO is satisfied with the level of execution quality and service provided by the above brokers during 2018.

1.8 Monitoring Framework and tools used related to the quality of execution

DEGIRO is required to monitor on a regular basis the effectiveness of its Order Execution Policy, the quality of the executions generated via its own memberships and the executions generated via third party brokers and the execution venues used. DEGIRO has implemented checks and balances to ensure execution quality analysis is done in proportionate fashion. The frequency of monitoring (daily, monthly, yearly) depends on the financial asset class and market traded.

For orders that are routed via a third party broker using a smart order router DEGIRO has to partly rely on the execution effectiveness of the third party. For this reason, DEGIRO only uses highly recognized external brokers for the transmitting of orders. In addition, DEGIRO has strict agreements with these parties and monitors if these parties live up to these agreements. This is

done by periodically checking the execution prices with the prices on Bloomberg and Reuters. If any anomalies are detected DEGIRO will make sure sufficient steps are taken to remedy to as quickly as possible. The review of 2018 has shown satisfactory results, nonetheless, DEGIRO is looking at several alternatives to further enhance the quality of its order execution either via its own membership or via the use of third party brokers. DEGIRO also conducts Transaction Costs Analysis (TCA) for certain markets to monitor and review implicit transaction costs such as the spread. DEGIRO has not made use of the output of consolidated tape providers.

1.8 Conflicts of Interest

DEGIRO offers its services based on the 'Execution Only' principle. With the exception of January 2nd, where DEGIRO acted facilitated internal matching between clients, DEGIRO has only executed orders on behalf of clients via one of its own memberships or received and transmitted orders to brokers for execution. DEGIRO has no specific arrangements with execution venues related to rebates or monetary benefits. DEGIRO has no ownership in the execution venues used.

1.9 A description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute

DEGIRO does not have any close links, conflicts of interest or ownership with respect to any of the venues used to execute.

2. Execution Analysis per Financial Instrument Class

2.1 Topics Subject to Analysis

This part of the report provides an analysis regarding all financial instruments classes. Per financial instrument class the following topics are covered:

- (a) an explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution (hereafter “risk factors”) or any other consideration including qualitative factors when assessing the quality of execution;*
- (b) a description of any close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders;*
- (c) a description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;*
- (d) an 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;*
- (e) an 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;*
- (f) an 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;*
- (g) an 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) 2018/575²;*
- (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 following tables will address these topics per financial instrument class. Where deemed appropriate e.g. a material changes as occurred during the year, additional information regarding the certain instrument class is given.

In total twenty-two (sub) classes have been distinguished. The financial instruments classes for which DEGIRO does not facilitate trading i.e. Interest Derivatives (c), Credit Derivatives (d) and Emission allowances (l) are omitted from this overview.

Since DEGIRO generally does not differentiate in execution policies between retail and professional clients all below tables cover both client groups unless specifically mentioned.

² COMMISSION DELEGATED REGULATION (EU) 2018/575 of 8 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards concerning the data to be published by execution venues on the quality of execution of transactions.

2.2 Equities — Shares & Depositary Receipts (a)

The financial instrument class equities are split in three groups based on liquidity. This way investors can notice the differences between the order handling and execution of highly liquid and less liquid securities. See in the below three tables further analysis the three liquidity groups.

Class Retail and Professional clients - Equities - Tick size liquidity bands 5 and 6 (from 2 000 trades per day)		
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
(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) 2018/575	DEGIRO has performed Transaction Cost Analysis (TCA) for certain markets to determine execution quality. In addition, DEGIRO used recognizes data vendors such as Bloomberg and Reuters to verify quality execution prices.
(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.	Not applicable

Table 1: Retail and Professional clients - Equities - Tick size liquidity bands 5 and 6 (from 2 000 trades per day)

Class	Retail and Professional clients - Equities - Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)	
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
(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) 2018/575	DEGIRO has performed Transaction Cost Analysis (TCA) for certain markets to determine execution quality. In addition, DEGIRO used recognizes data vendors such as Bloomberg and Reuters to verify quality execution prices.
(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.	Not applicable

Table 2: Retail and Professional clients - Equities - Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)

Class	Retail and Professional clients - Equities - Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)	
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
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(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	Not applicable
(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) 2018/575	DEGIRO has performed Transaction Cost Analysis (TCA) for certain markets to determine execution quality. In addition, DEGIRO used recognizes data vendors such as Bloomberg and Reuters to verify quality execution prices.
(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.	Not applicable

Table 3: Retail and Professional clients - Equities - Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)

Notable

Orders directed to the smaller segments of the London Stock Exchange (LSE), such as AIM and SETSqx, are firstly directed to LSE market makers as these OTC- segments typically offer more liquidity than on- exchange. Only if the market maker doesn't provide pricing in a certain symbol the order is routed to the exchange. More detailed information on where the most trading took place can be found in the "Venue Report".

2.3 Debt Instruments (b)

The debt instruments can be divided into Bonds and Money Market instruments.

Class	Retail and Professional clients - Bonds	
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
(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) 2018/575	DEGIRO has performed Transaction Cost Analysis (TCA) for certain markets to determine execution quality. In addition, DEGIRO used recognizes data vendors such as Bloomberg and Reuters to verify quality execution prices.
(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.	Not applicable

Table 4: Retail and Professional clients – Bonds

Class	Retail and Professional clients – Money Market Instruments	
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
(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) 2018/575	DEGIRO has performed Transaction Cost Analysis (TCA) for certain markets to determine execution quality. In addition, DEGIRO used recognizes data vendors such as Bloomberg and Reuters to verify quality execution prices.
(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.	Not applicable

Table 5: Retail and Professional clients – Money Market Instruments

2.4 Currency Derivatives (e)

Class	Retail and Professional clients – Currency Derivatives	
(a)	Relative importance of execution factors	Not applicable
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	Not applicable
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	Not applicable
(e)	An 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	Not applicable
(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	Not applicable
(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) 2018/575	Not applicable
(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.	Not applicable

Table 6: Retail and Professional clients – Currency Derivatives

2.5 Structured Finance Instruments (f)

Class	Retail and Professional clients – Structured Finance Instruments	
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
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(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.	Not applicable

Table 7: Retail and Professional clients – Structured Finance Products

Notable

Most trading in this product group were the financial instrument group 'Turbos' on Euronext Amsterdam. More detailed information on where the most trading took place can be found in the "Venue Report".

2.6 Equity Derivatives (g)

The equity derivatives are divided between futures and options admitted to trading on a trading venue and in swaps and other derivatives. DEGIRO only makes available trading for clients on exchange.

Class	Retail and Professional clients – Equity Derivatives	
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
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(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.	Not applicable

Table 8: Retail and Professional clients – Equity Derivatives

Notable

During 2018 the first three quarters of 2018 DEGIRO routed orders to Euronext LIFFE via its own membership. As of Q4 of 2018 orders are routed via RFC functionality of Euronext via Morgan Stanley. Via RFC possible price improvement can be achieved.

2.7 Securitized Derivatives (g)

The securitized derivatives are divided in two groups (i) Warrants and Certificate Derivatives and (ii) other securitized derivatives.

Class	Retail and Professional clients – Equity Derivatives	
(a)	Relative importance of execution factors	Price and costs and likelihood of execution are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
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(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	Not applicable
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(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.	Not applicable

Table 9: Retail and Professional clients – Securitized Derivatives

2.8 Commodities derivatives and emission allowances Derivatives (i)

This class is divided in two subclasses being (i) Futures and options admitted to trading on a trading venue and (ii) Other commodities derivatives and emission allowances derivatives. DEGIRO offers only the first group (i).

Retail and Professional clients – Commodities derivatives and emission allowances Derivatives (i)		
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
(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) 2018/575	DEGIRO has performed Transaction Cost Analysis (TCA) for certain markets to determine execution quality. In addition, DEGIRO used recognizes data vendors such as Bloomberg and Reuters to verify quality execution prices.
(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.	Not applicable

Table 10: Retail and Professional clients – Commodities derivatives and emission allowances Derivatives

Notable

Commodity derivatives are traded via an external broker (no physical settlement). It has to be noted that DEGIRO hardly executes commodity derivative trading via its own membership. The biggest portion of derivative commodity trading takes place on the US exchanges via the use of an external broker. More detailed information via which third party the most trading took place can be found in the “Broker Report”.

2.9 Contracts for difference (CFD's) (j)

CFD's are not traded on an exchange venue but DEGIRO does offer CFD trading to its clients. A CFD trade always takes place OTC where execution prices are based on the price available at the reference exchange.

Class	Retail and Professional clients – Contracts for Difference	
(a)	Relative importance of execution factors	Execution factors are based on the prices trading at the primary exchange of the CFD underlying.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO may be the counterparty, but execution will take place at the price of the primary exchange.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	Not applicable
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
(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) 2018/575	Not applicable
(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.	Not applicable

Table 11: Retail and Professional clients – Contracts for Difference

Notable

The CFD's are always executed OTC. The prices for OTC transactions are always based on the reference price on the financial instrument trading on primary exchange. More detailed information CFD's can be found in the "Broker Report" and the "Venue Report".

2.10 Exchange traded products (ETFs,ETNs and ETCs) (k)

Class	Retail and Professional clients – Exchange traded products (ETFs, ETNs, ETCs)	
(a)	Relative importance of execution factors	Price and costs are deemed most important
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	DEGIRO has no close links or ownership with respect to any of the execution venues used.
(c)	Specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received;	Not applicable
(d)	An 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;	No additional venues for trading equities have been added or removed during 2018.
(e)	An 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	DEGIRO does not differentiate between the order execution of retail and professional clients. DEGIRO will always follow best execution policies in place for both types of clients. The only exception comes when a client gives a specific order instruction which overrules the standard order execution policy.
(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	Not applicable
(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) 2018/575	DEGIRO has performed Transaction Cost Analysis (TCA) for certain markets to determine execution quality. In addition, DEGIRO used recognizes data vendors such as Bloomberg and Reuters to verify quality execution prices.
(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.	Not applicable

Table 12: Retail and Professional clients – Exchange traded products (ETFs, ETNs, ETCs)

3. Appendix 1 'Classification of Financial Instrument Classes'

In total there are 22 different (sub) classes of financial instruments.

A classification of the different financial instrument classes can be found below:

- (a) Equities — Shares & Depositary Receipts
 - (i) Tick size liquidity bands 5 and 6 (from 2 000 trades per day)
 - (ii) Tick size liquidity bands 3 and 4 (from 80 to 1 999 trades per day)
 - (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)
- (b) Debt instruments
 - (i) Bonds
 - (ii) Money markets instruments
- (c) Interest rates derivatives
 - (i) Futures and options admitted to trading on a trading venue
 - (ii) Swaps, forwards, and other interest rates derivatives
- (d) credit derivatives
 - (i) Futures and options admitted to trading on a trading venue
 - (ii) Other credit derivatives
- (e) currency derivatives
 - (i) Futures and options admitted to trading on a trading venue
 - (ii) Swaps, forwards, and other currency derivatives
- (f) Structured finance instruments
- (g) Equity Derivatives
 - (i) Options and Futures admitted to trading on a trading venue
 - (ii) Swaps and other equity derivatives
- (h) Securitized Derivatives
 - (i) Warrants and Certificate Derivatives
 - (ii) Other securitized derivatives
- (i) Commodities derivatives and emission allowances Derivatives
 - (i) Options and Futures admitted to trading on a trading venue
 - (ii) Other commodities derivatives and emission allowances derivatives
- (j) Contracts for difference
- (k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)
- (l) Emission allowances
- (m) Other instruments

