



BEST EXECUTION ANALYSIS REPORT  
FOR THE YEAR OF 2017

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# 1. Best Execution Analysis Report DEGIRO

## 1.1 Introduction

With the application of MIFID II and Commission Delegated Regulation (EU) 2017/576<sup>1</sup> as of 3 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 also 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, DEGIRO has published two sets of reports in excel format. One report shows the orders that have directly been executed by DEGIRO and the other report shows the orders that have been executed by DEGIRO through the use of a third party executing broker.

The information in this document serves as the qualitative analysis report on the data generated in the quantitative “Venue Report” for direct execution and the “Broker Report” for information on indirect execution.

The data of the Venue and Broker Reports 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 2017, 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”.

The indirect order execution report lists DEGIRO’s top five brokers in terms of trading volumes for all transactions during 2017 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”.

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 What is Best Execution?

MiFID II requires investment firms to take all sufficient steps to obtain the best possible result for retail and professional clients, when executing orders (or receiving and transmitting orders to a third-party) for them in respect of financial instruments, taking into account execution factors such as price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. The primary rule of the Order Execution Policy of DEGIRO is that Orders are executed at the best price that is available on the trading venues that are used by DEGIRO.

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<sup>1</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R0576>

## 1.4 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 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'.

## 1.5 Client Categories and Execution Method

The Order Execution Policy of DEGIRO is applicable for all clients who are classified as retail or professional clients. The Order Execution Policy does not apply to clients that DEGIRO classifies as eligible counterparties. The execution method depends on the type of client, the type of order and the type of Financial Instrument. DEGIRO will always try to obtain the best order execution available on the venues that are used by DEGIRO. 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. 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.

## 1.6 Trading Venue and Third-Party Evaluation

All offered trading venues and third parties such as external brokers are evaluated by a dedicated team of DEGIRO to ensure the specific trading venue and third parties are still in line with the clients' needs and best interests. In addition, all 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 more fragmented than ever and is therefore constantly looking for new execution venues or third parties to be added to the current offering. DEGIRO thereby takes in consideration the costs related to the new place of execution (including connection costs for the place of execution and the connected clearing and settlement infrastructure, execution fees, fees related to the submission, modification or cancellation of orders, clearing and settlement fees and any other fees involved), the opening hours of the new place of execution and the connected clearing and settlement infrastructure, the additional liquidity that the new place of execution provides and the beneficial effect that such additional liquidity may offer for the execution of orders. All potential new products, services and 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. This way DEGIRO can ensure the quality and appropriateness of the execution arrangements and policies in place for all services and products offered.

## 1.7 Smart Order Routing

A smart order router (SOR) is a system that routes the received orders in such way so as to achieve the best possible execution of such orders while minimizing market impact. During 2017

DEGIRO has used an internal smart order router for the execution of orders. The internal smart order router was used by DEGIRO for the decision whether an order should be executed internally against the order of another client, or externally, with execution (directly or indirectly) on exchange. The Venue Report gives more insight in the proportion of trades executed via internal matching in the different financial instrument classes. Due to MiFID II entry into force, DEGIRO has stopped all internal matching activities since January 2018.

One of the third parties used by DEGIRO uses smart order routing for certain financial instrument classes. Executions generated via the smart order routing system of this third party are checked regularly against the prices of recognized data providers such as Bloomberg and Reuters and have proven to be of added value. A specification of the current financial instruments classes and execution venues that might be eligible for smart order routing can be consulted via the order routing page on DEGIRO's website via this [link](#).

### 1.8 Best Execution Monitoring Framework

During 2017 the execution venues of DEGIRO can be divided in three groups. The order was directed directly to the primary exchange, transmitted for execution via third parties or internally matched. Although DEGIRO does not fall within the definition of execution venue in MiFID II, it seems for the relevance of the top-five publication appropriate to treat it as such in this report for the year 2017. This especially, in the light that the publication of the top-five venues is a requirement under MiFID II, but with the request by ESMA to already publish the first report on the order execution in the preceding year when MiFID II was not in force and internal matching allowed.

With regards to the internal matching that took place under MiFID I, DEGIRO had a highly sophisticated system in place monitoring execution of trades that were internally matched. This system would compare the prices from multiple venues and would only allow for execution if the prices available were at least equal to or better than on the primary exchange of the underlying. This system was constantly monitored by a dedicated team that had the possibility to stop any internal matching when necessary. In addition, DEGIRO made use of several automated business checks that would give an overview of trades generated through internal matching which were then manually checked on a daily and sometimes hourly basis.

For orders that are routed via a third-party broker using a smart order router DEGIRO has to partly rely on the execution procedures 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. Since MiFID II it has become easier to monitor the order execution behavior of third parties as more data regarding the specific execution venue is available and easily accessible.

## 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) 2017/575<sup>2</sup>;*
- (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 additional information regarding of certain instruments 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.

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<sup>2</sup> COMMISSION DELEGATED REGULATION (EU) 2017/575 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 information the three liquidity groups.

<b>Class Retail and Professional clients - Equities - Tick size liquidity bands 5 and 6 (from 2 000 trades per day)</b>		
(a)	Relative importance of execution factors	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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 2017. DEGIRO has enabled SOR via a third-party for Vienna Stock Exchange.
(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) 2017/575	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 1: Retail and Professional clients - Equities - Tick size liquidity bands 5 and 6 (from 2 000 trades per day)**

<b>Class</b>	<b>Retail and Professional clients - Equities - Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)</b>	
(a)	Relative importance of execution factors	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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 2017. DEGIRO has enabled SOR via a third-party for Vienna Stock Exchange.
(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) 2017/575	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 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	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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 2017. DEGIRO has enabled SOR via a third-party for Vienna Stock Exchange.
(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) 2017/575	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 3: Retail and Professional clients - Equities - Tick size liquidity bands 1 and 2 (from 0 to 79 trades per day)**

### Order Routing Summary

During 2017 DEGIRO routed orders in equities via own membership as direct trading participant, orders were executed by DEGIRO through the use of a third party executing broker, and it has facilitated internal matching between DEGIRO clients.

Orders directed to the smaller segments of the London Stock Exchange (LSE), such as AIM and SETSxq, 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	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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 2017.
(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) 2017/575	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 4: Retail and Professional clients – Bonds**

Class	Retail and Professional clients – Money Market Instruments	
(a)	Relative importance of execution factors	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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 2017.
(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) 2017/575	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 5: Retail and Professional clients – Money Market Instruments**

### Order Routing Summary

During 2017 DEGIRO routed orders in debt instruments via own membership as direct trading participant, orders were executed by DEGIRO through the use of a third party executing broker, and it has facilitated internal matching between DEGIRO clients.

When clients desire to trade bonds Over the Counter (OTC), they can do so via the Orders desk of DEGIRO. When a client submits such a request, either by phone or email, the employee of the Order desk will reach out to an external broker to facilitate the trade. DEGIRO always verifies if the quote received is in line with the market prices. More detailed information on where and via which third party the most trading took place can be found in the “Venue Report” and “Broker Report”.

## 2.4 Currency Derivatives (e)

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

Retail and Professional clients – Currency Derivatives		
(a)	Relative importance of execution factors	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(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	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) 2017/575	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**

### Order Routing Summary

During 2017 DEGIRO routed orders in currency derivatives instruments via own membership as direct trading participant. The currency derivatives were executed via Euronext LIFFE. More detailed information on where the most trading took place can be found in the “Venue Report”.

## 2.5 Structured Finance Instruments (f)

Class	Retail and Professional clients – Structured Finance Instruments	
(a)	Relative importance of execution factors	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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) 2017/575	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 7: Retail and Professional clients – Structured Finance Products**

### Order Routing Summary

During 2017 DEGIRO routed orders in Structured Finance Products via own membership as direct trading participant, orders were executed by DEGIRO through the use of a third party executing broker, and it has facilitated internal matching between DEGIRO clients. 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	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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) 2017/575	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 8: Retail and Professional clients – Equity Derivatives**

### Order Routing Summary

During 2017 DEGIRO routed orders in equities derivatives via own membership as direct trading participant, orders were executed by DEGIRO through the use of a third party executing broker, and it has facilitated internal matching between DEGIRO clients. The biggest part of the retail orders was routed to either Eurex or Euronext LIFFE. More detailed information on where and via which third party the most trading took place can be found in the “Venue Report” and “Broker Report”.

## 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	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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) 2017/575	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 9: Retail and Professional clients – Securitized Derivatives**

### Order Routing Summary

During 2017 DEGIRO routed orders in securitized derivatives via own membership as direct trading participant, orders were executed by DEGIRO through the use of a third party executing broker, and it has facilitated internal matching between DEGIRO clients. The biggest part of the retail orders was routed to either Eurex or Euronext LIFFE. More detailed information on where and via which third party the most trading took place can be found in the “Venue Report” and “Broker Report”.

## 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	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(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	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) 2017/575	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 10: Retail and Professional clients – Commodities derivatives and emission allowances Derivatives**

### Order Routing Summary

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.

<b>Class</b> <b>Retail and Professional clients – Contracts for Difference</b>		
(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) 2017/575	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**

### *Order Routing Summary*

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	DEGIRO focusses on obtaining execution prices equal or better than at the primary exchange and trading costs. However, since other factors are also considered it does not guarantee that all single orders are always executed against the best available price.
(b)	Close links, conflicts of interests, and common ownerships with respect to any execution venues used to execute orders	In 2017, DEGIRO matched orders of clients internally. Even though DEGIRO cannot be considered an execution venue, it seems appropriate to mention the percentage of internally matched orders for transparency reasons. As of 2018 DEGIRO has stopped any internal matching.
(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) 2017/575	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 12: Retail and Professional clients – Exchange traded products (ETFs, ETNs, ETCs)**

### Order Routing Summary

During 2017 DEGIRO routed orders in Exchange traded products (ETFs, ETNs, ETC,) via own membership as direct trading participant, orders were executed by DEGIRO through the use of a third party executing broker, and it has facilitated internal matching between DEGIRO clients. Most of these retail orders were routed to Euronext Amsterdam and Xetra. Most of the professional orders were matched internally or routed to Euronext Amsterdam.

### 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

