

Information in accordance with MiFID II Directive 2014/65 EU and Delegated Regulation (EU) 2017/576 (RTS 28)

As of 08.06.2016

UniCredit Bank AG (HVB) in its role as investment firm is obliged in accordance with Article 3 (3) RTS 28 to publish for each class of financial instruments a summary of the analysis and conclusions it has drawn from the detailed monitoring of the quality of execution obtained on the execution venues where it has executed all client orders in the previous calendar-year.

In this report, valid for the calendar year of 2017, HVB will not comment circumstances that were not relevant for 2017 due to a matter of fact. This applies in particular for **points g) und h)** of Article 3 Section 3 RTS 28.

Referring to the “Basic Principles For Execution Of Securities” (Best Execution Policy) in the version valid for 2017, HVB has categorised the financial instruments into two main groups, namely:

- Securities
- Non-securitised financial instruments (incl. exchange-traded derivatives)

In all cases where HVB offered to its clients the execution of orders on the basis of best execution principles, this was always driven by a “static-rule-logic” to assess the best execution venue for the client. Based upon checks and analysis performed, HVB can confirm that that it has always followed the published rules of the Best Execution Policy for the determination of the best execution venue.

Further information to all other circumstances requested by Article 3 (3) RTS 28 is as follows:

Securities

There exists no special arrangements with any execution venues used regarding payments made or received. Additionally we confirm that we do not receive any discounts, rebates or non-monetary benefits from execution venues we use for execution of client orders. HVB only pays for regular services, obtained from execution venues, as outlined in respective fee schedules of the execution venues.

HVB does not have close links to one of the used execution venues and does not held any ownership in such venues. We were not aware of any conflicts of interests with regards to the execution venues in 2017.

The following tables show the relative importance of the factors HVB has established in their static-rule-environment in 2017. The factors are weighted differently per client category (Retail client vs. Professional Client).

You may use the explanation below in order to assign the financial instruments to the information provided in the tables.

The regular review and control of the quality of the best execution principles by HVB did not indicate the necessity for any change of the existing static rules in 2017.

	A1.1 – 1		A1.1 – 2		A2		A3.1 – 1	
	Retail	Profess.	Retail	Profess.	Retail	Profess.	Retail	Profess.
Price of financial instrument	35%	40%	35%	40%	50%	50%	30%	20%
Costs of Execution	50%	45%	35%	30%	30%	25%	60%	50%
Speed of Execution	10%	10%	10%	10%	0%	5%	0%	10%
Likelihood of Execution	5%	5%	20%	20%	20%	20%	10%	10%
Likelihood of Settlement	0%	0%	0%	0%	0%	0%	0%	10%
Others	0%	0%	0%	0%	0%	0%	0%	0%
Sum	100%	100%	100%	100%	100%	100%	100%	100%

	A3.1 – 2		A3.2		B1.1		B1.2	
	Retail	Profess.	Retail	Profess.	Retail	Profess.	Retail	Profess.
Price of financial instrument	60%	55%	45%	40%	40%	35%	35%	30%
Costs of Execution	30%	25%	30%	25%	15%	10%	25%	25%
Speed of Execution	0%	5%	5%	10%	5%	15%	0%	5%
Likelihood of Execution	10%	10%	15%	20%	20%	20%	20%	20%
Likelihood of Settlement	0%	5%	5%	5%	10%	10%	20%	20%
Others	0%	0%	0%	0%	10%	10%	0%	0%
Sum	100%	100%	100%	100%	100%	100%	100%	100%

	R1.1		R1.2		R1.3		R1.4	
	Retail	Profess.	Retail	Profess.	Retail	Profess.	Retail	Profess.
Price of financial instrument	40%	40%	40%	40%	40%	40%	40%	40%
Costs of Execution	50%	10%	50%	10%	50%	10%	50%	10%
Speed of Execution	5%	20%	5%	20%	5%	20%	5%	20%
Likelihood of Execution	5%	20%	5%	20%	5%	20%	5%	20%
Likelihood of Settlement	0%	10%	0%	10%	0%	10%	0%	10%
Others	0%	0%	0%	0%	0%	0%	0%	0%
Sum	100%	100%	100%	100%	100%	100%	100%	100%

	R2.1		R2.2		G1.1	
	Retail	Profess.	Retail	Profess.	Retail	Profess.
Price of financial instrument	40%	40%	40%	40%	35%	50%
Costs of Execution	50%	10%	50%	10%	45%	20%
Speed of Execution	5%	20%	5%	20%	5%	10%
Likelihood of Execution	5%	20%	5%	20%	15%	20%
Likelihood of Settlement	0%	10%	0%	10%	0%	0%
Others	0%	0%	0%	0%	0%	0%
Sum	100%	100%	100%	100%	100%	100%

	G2.1		O1.1		O1.2	
	Retail	Profess.	Retail	Profess.	Retail	Profess.
Price of financial instrument	35%	40%	40%	40%	40%	40%
Costs of Execution	45%	25%	45%	25%	45%	25%
Speed of Execution	5%	10%	5%	10%	5%	10%
Likelihood of Execution	15%	15%	10%	15%	10%	15%
Likelihood of Settlement	0%	10%	0%	10%	0%	10%
Others	0%	0%	0%	0%	0%	0%
Sum	100%	100%	100%	100%	100%	100%

	Z1.1		Z1.2	
	Retail	Profess.	Retail	Profess.
Price of financial instrument	40%	40%	40%	40%
Costs of Execution	35%	15%	35%	15%
Speed of Execution	10%	15%	10%	15%
Likelihood of Execution	10%	20%	10%	20%
Likelihood of Settlement	5%	10%	5%	10%
Others	0%	0%	0%	0%
Sum	100%	100%	100%	100%

EXPLANATION (IN BRACKETS CLASSES OF FINANCIAL INSTRUMENTS ACCORDING TO RTS 28 ANNEX I):	
A1.1 – 1	Equities Domestic and ETF's <5000 EUR (Equities – Shares & Depositary Receipts and Exchange traded products)
A1.1 – 2	Equities Domestic and ETF's >5000 EUR (Equities – Shares & Depositary Receipts and Exchange traded products)
A2	Small Caps Domestic (Equities – Shares & Depositary Receipts)
A3.1 – 1	Foreign Equities – domestic listing <5000 EUR (Equities – Shares & Depositary Receipts)
A3.1 – 2	Foreign Equities – domestic listing >5000 EUR (Equities – Shares & Depositary Receipts)
A3.2	Foreign Equities (Equities – Shares & Depositary Receipts)
B1.1	Subscription Right – Domestic – eligible for collective deposit (Other Instruments)
B1.2	Subscription Right – Not-Domestic – non eligible for collective deposit (Other Instruments)
R1.1	Bonds issued by Federal republic of Germany or federal states (Debt Instruments)
R1.2	Bonds EUR-IN – Own Issues (Debt Instruments)
R1.3	Permanent Issues of the Federal Rep. of Germany (Debt Instruments)
R1.4	Bonds EUR-IN – other Issuers (Debt Instruments)
R2.1	Bonds in foreign currencies – Own Issues and Other Issuers (Debt Instruments)
R2.2	Bonds in foreign currencies – domestic listing (Debt Instruments)
G1.1	Participating Certificate – Equity-like, domestic listed (Exchange traded products)
G1.2	Participating Certificate – Bond-like (Exchange traded products)
O1.1	Warrant – Own Issues (Securitised Derivatives)
O1.2	Warrant- Other Issuers / listed abroad (Securitised Derivatives)
Z1.1	Certificates – Own Issues (Securitised Derivatives)
Z1.2	Certificates – Other Issuers/listed abroad (Securitised Derivatives)

For all other securities, not included in the categories listed above, no best execution services were offered. Therefore, no dedicated reporting for these instruments are indicated.

Non-Securitized financial instruments

For these types of financial instruments, HVB offers exclusively execution against its own books on an individual bilateral contractual basis (please refer to the Best Execution Policy) with no transfer of such orders to third parties in the absence of any alternative execution places. Thus, the reporting obligations as defined in RTS28 Art 3(3) are not relevant. With regards to the class of financial instruments laid down in Annex I of the RTS 28 the following instrument classes are affected:

- Interest Rate Derivatives
- Credit Derivatives
- Currency Derivatives
- Equity Derivatives
- Commodity Derivatives and Emission Allowances Derivatives

Non-securitized financial instruments are partly traded on exchanges. As outlined in the Best Execution Policy, HVB requests its clients to indicate a dedicated execution venue for execution of the order. Therefore, the information obligations as defined in RTS28 Art. 3(3) are not relevant since best execution principles are not applicable. With regards to the class of financial instruments laid down in Annex I of the RTS 28 the following instrument classes are affected:

- Interest Rate Derivatives
- Credit Derivatives
- Currency Derivatives
- Equity Derivatives
- Commodity Derivatives and Emission Allowances Derivatives

Munich, April 2018