



BEST EXECUTION EVALUATION 2017

The best execution requirements set out in the Markets in Financial Instruments Directive II (MiFID II) require BinckBank to take sufficient steps to obtain the best possible result for their clients, taking into account: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

In order to comply with the overarching best execution requirements, BinckBank must establish and implement solid execution arrangements and a Best Execution Policy. The “Best Execution Policy” describes the most important and/or relevant elements of those execution arrangements. For more information, please refer to the Best Execution Policy available on the client portal.

In delivering its order execution services BinckBank shall act in the best interest of the client at all times. This means that in delivering the best possible result with respect to retail clients BinckBank applies the concept of “total consideration”.

What does “Total consideration” mean?

When BinckBank executes an order on behalf of a retail client, the best possible result shall be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to execution, which shall include all expenses incurred by the client which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

This Best Execution Evaluation Form provides the client with a high level overview of the monitoring and review results and its evaluation over 2017 with respect to the different asset classes. The criteria subject to the monitoring and review process are stated underneath.

Review

“Review” is an overall assessment of whether the Best Execution Policy and execution arrangements include sufficient steps BinckBank could take to obtain the best possible result for the execution of its client orders.

BinckBank must review:

- The Best Execution Policy and the execution arrangements at least annually;
- Such a review shall also take place whenever a material change occurs that affects

BinckBank’s ability to continue to obtain the best possible result for their clients.



BinckBank should consider whether it could consistently obtain better execution results if it were to:

- Select additional or different execution venues;
- Assign a different importance to the best execution factors;
- Modify any other aspects of its Best Execution Policy or execution arrangements.

Monitoring

“Monitoring” is the assessment, on a regular basis, of particular transactions in order to determine whether BinckBank has complied with its (execution) policy and/or arrangements, and whether the resulting transaction has delivered the best possible result for the client. The monitoring methodology is at the discretion of BinckBank. As monitoring every transaction would be disproportionate, other approaches, such as appropriate methodologies for sampling, are considered sufficient.

Monitoring may include comparing similar transactions:

- On the same execution venue or with the same entity, in order to test whether BinckBank’s judgement about how orders are executed is correct, or
- On different execution venues or entities chosen from the ones stated in the Best Execution Policy, in order to test whether 'best' execution has been achieved on the venue or entity for a given type of transaction.

BinckBank is required to monitor on a regular basis:

- The effectiveness of its Best Execution Policy;
- The execution quality and the performance of the entities selected to execute the orders;
- The effectiveness of its execution policy at least annually (and);
- The effectiveness of the different steps and decisions taken in the chain of execution to deliver the best possible result.

Based on the above, BinckBank at least annually assesses the performance of its Third Party Brokers, its own Broker desk as well as the other execution venues including the markets where BinckBank executes orders via its memberships. The 2017 review showed a satisfactory performance and gave no reason for further action. Each party was reviewed i.e. on liquidity, speed and probability of execution, number and severity of irregularities as well as pricing. We also performed a review of sample orders executed via our Broker desk comparing the execution prices with the volume weighted average prices.



Specific arrangements

In 2017 the TOM platform, which was used for the execution of the most liquid Euronext listed equities and derivatives, has been dismantled. BinckBank was also still a Euronext member itself and therefore decided to route all equity and derivatives orders to Euronext itself after the winding down.

Third Party Brokers that BinckBank used for order execution in 2017 were:

- Pershing
- Tom Broker (until July 2017)
- Goldman Sachs
- Banca Akros
- Fundsettle
- Credit Suisse (OTC orders executed via Broker Desk only)
- The venues BinckBank used for ordering via its own memberships in 2017 were:
 - Euronext
 - Euronext Derivatives Markets
 - Euronext NAV Trading Facility
 - Bourse de Luxembourg
 - CATS*

We believe that by using this set up we provided our clients with an appropriate solution in terms of price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order. In principle all BinckBank clients are treated as non-professional clients for which a heavy duty of care is applicable.

Conflict of Interest

BinckBank acts in the capacity of agent for the reception, transmission and execution of orders for its clients. BinckBank does not have any specific arrangements with execution venues in place related to rebates or non-monetary benefits. In line with market standards BinckBank may be eligible to bulk discounts offered by execution venues. With respect to the Binck turbo BinckBank (formally) also acts towards its clients in the capacity of counterparty ('principal'). However, the inherent market making activities are outsourced to UBS. Therefore, BinckBank has no interest in the Binck turbo linked market making revenues.

BinckBank does not have any questionable close links or common ownerships with respect to any execution venues used by BinckBank to execute orders. Please note in this respect that the TOM service, a trading venue initiative started by BinckBank and Optiver in 2008, was dismantled in July 2017 as the business activities were discontinued.



Considering the above, the residual risk in the context of Order execution is qualified by BinckBank as low.