

Erste Group Top 5 Report for the year 2017

ERSTE 
Group

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The publication of the Top 5 report shall enable clients to evaluate the quality of Erste Group Bank AG's execution practices and to identify the top five execution venues, where Erste Group Bank AG executed client orders¹. The current Top 5 report is based on a best effort basis for 2017. Specifically, Erste Group Bank AG has included such information according to RTS 28 which was available or applicable before the onset of MiFID II per 3.1.2018.

I. Equities – Shares & Depositary Receipts

In general, Erste Group Bank AG executes orders in shares and ETFs on a commission basis. Orders for shares and ETFs are directly placed at or transmitted through brokers to trading venues or execution.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Wiener Börse AG (MIC: XWBO)	35,72%	42,56%	36,01%	63,99%
XETRA - Frankfurt (MIC: XETR)	24,16%	20,18%	35,61%	64,39%
NASDAQ (MIC: XNAS)	8,43%	8,98%	23,26%	76,74%
New York Stock Exchange, Inc. (MIC: XNYS)	8,35%	7,76%	33,06%	66,94%
Deutsche Börse AG (MIC: XFRA)	5,89%	5,49%	31,75%	68,25%

¹ Article 3, Commission Delegated Regulation (EU) 2017/576

II. Debt instruments

a. Bonds

Bonds are either traded on a commission basis on a trading venue or on own account through an internal execution venue.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Erste Group Bank AG (LEI: PQ0H26KWDF7CG10L6792)	87,53%	91,33%	100,00%	0,00%
Börse Stuttgart (MIC: XSTU)	4,55%	3,28%	31,95%	68,05%
Execution via Bloomberg (LEI: 549300ROEJDDAXM6LU05)	2,86%	0,57%	31,17%	68,83%
Deutsche Börse AG (MIC: XFRA)	2,38%	1,92%	40,36%	59,64%
Wiener Börse AG (MIC: XWBO)	1,48%	1,98%	31,23%	68,77%

III. Interest rate derivatives

a. Futures and options admitted to trading on a trading venue

Orders in futures and options are traded on the trading venue where the financial instrument is listed.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
EUREX Deutschland (MIC: XEUR)	73,02%	71,95%	n/a	n/a
NYSE LIFFE (MIC: XNLI)	14,27%	15,61%	n/a	n/a
CME Swaps Markets (CBOT) (MIC: CBTS)	11,44%	12,11%	n/a	n/a
Tokyo Stock Exchange (MIC: XTKS)	1,15%	0,15%	n/a	n/a
ASX - Trade24 – SFE (MIC: XSFE)	0,07%	0,11%	n/a	n/a

b. Swaps, forwards, and other interest rates derivatives

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Erste Group Bank AG (LEI: PQ0H26KWDF7CG10L6792)	100%	100%	n/a	n/a

IV. Credit derivatives

a. Other credit derivatives

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Erste Group Bank AG (LEI: PQ0H26KWDF7CG10L6792)	100%	100%	n/a	n/a

V. Currency derivatives

a. Futures and options admitted to trading on a trading venue

Orders in futures and options are traded on the trading venue where the financial instrument is listed.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Chicago Mercantile Exchange (MIC: XCME)	91,04%	87,51%	n/a	n/a
NYSE LIFFE (MIC: XNLI)	8,69%	12,06%	n/a	n/a
ASX - Trade24 – SFE (MIC: XSFE)	0,15%	0,24%	n/a	n/a
International Monetary Market (MIC: XIMM)	0,12%	0,19%	n/a	n/a

b. Swaps, forwards, and other currency derivatives

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Erste Group Bank AG (LEI: PQ0H26KWDF7CG10L6792)	100%	100%	n/a	n/a

VI. Equity derivatives

a. Futures and options admitted to trading on a trading venue

Orders in futures and options are traded on the trading venue where the financial instrument is listed.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
EUREX Deutschland (MIC: XEUR)	42,14%	32,39%	n/a	n/a
Warsaw Stock Exchange (MIC: XWAR)	28,46%	57,26%	n/a	n/a
Chicago Mercantile Exchange (MIC: XCME)	17,13%	2,97%	n/a	n/a
Italian Derivatives Market (MIC: XDMI)	2,12%	0,40%	n/a	n/a
ICE Futures US (MIC: IFUS)	1,82%	0,84%	n/a	n/a

b. Swaps, forwards, and other currency derivatives

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Erste Group Bank AG (LEI: PQ0H26KWDF7CG10L6792)	100%	100%	n/a	n/a

VII. Securitized derivatives

Certificates and warrants are traded on trading venues or directly with the issuer, since there, the best total price for the client is obtained.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Erste Group Bank AG (LEI: PQOH26KWDF7CG10L6792)	28,36%	33,26%	100,00%	0,00%
Börse Stuttgart (MIC: XSTU)	20,41%	34,39%	27,36%	72,64%
BNP PARIBAS (LEI: ROMUWSFPU8MPRO8K5P83)	9,38%	0,88%	13,93%	86,07%
Deutsche Börse AG (MIC: XFRA)	8,26%	6,18%	25,98%	74,02%
Société Générale Effekten GmbH (LEI: 529900W18LQJIN6SJ336)	6,87%	0,66%	11,96%	88,04%

VIII. Commodities derivatives and emission allowances Derivatives

a. Futures and options admitted to trading on a trading venue

Orders in futures and options are traded on the trading venue where the financial instrument is listed.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
CME Swap Markets (COMEX) (MIC: CECS)	62,62%	30,72%	n/a	n/a
New York Mercantile Exchange (MIC: XNYM)	21,42%	24,35%	n/a	n/a
CME Swaps Markets (CBOT) (MIC: CBTS)	14,88%	43,19%	n/a	n/a
ICE Futures Europe (MIC: IFEU)	1,08%	1,74%	n/a	n/a

b. Swaps, forwards, and other currency derivatives

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Erste Group Bank AG (LEI: PQ0H26KWDF7CG10L6792)	100%	100%	n/a	n/a

IX. Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)

Exchange traded products are typically executed on a trading venue.

Client Category: Retail & Professional Clients				
Notification if <1 average trade per business day in the previous year: N				
Top five execution venues ranked in terms of trading volumes (descending order)	Proportion of volume traded as a percentage of total in that class	Proportion of orders executed as percentage of total in that class	Percentage of aggressive orders	Percentage of passive orders
Execution via Bloomberg (LEI: 549300ROEJDDAXM6LU05)	52,13%	1,62%	82,76%	17,24%
XETRA - Frankfurt (MIC: XETR)	31,82%	50,18%	62,46%	37,54%
NYSE Arca (MIC: ARCX)	4,04%	22,92%	22,99%	77,01%
London Stock Exchange (MIC: XLON)	3,17%	4,68%	22,14%	77,86%
Société Générale Effekten GmbH (LEI: 529900W18LQJIN6SJ336)	6,87%	0,66%	11,96%	88,04%

X. Summary of the Analysis and conclusions

- a) An explanation of the relative importance the firm gave to the execution factors of price, costs, speed, likelihood of execution or any other consideration including qualitative factors when assessing the quality of execution: In achieving the optimal result Erste Group Bank AG is taking into account the total fee (which is based on the trading price including the costs associated with the execution) as well as the likelihood 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:
Regarding the steps Erste Group Bank AG has taken to ensure that conflicts of interest between Erste Bank and execution venues do not have a negative effect on customer interests please refer to the respective section of the information according to Securities Supervision Act – MiFID II published on Erste Group Bank AG website².
- c) A description of any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits received:
Erste Group Bank AG does not have in place any specific arrangements with any execution venues regarding payments made or received, discounts, rebates or non-monetary benefits. The fees are according to the fee models published by the execution venues.
- 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:
Erste Group Bank AG has not changed its execution factors in 2017. Therefore no changes in the list of execution venues have occurred due to a factor change.
- e) An explanation of how order execution differs according to client categorisation, where the firm treats categories of clients differently and where it may affect the order execution arrangements:
Not applicable. Erste Group did not treat categories of clients differently in 2017.
- 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:
Not applicable. No other criteria were given precedence over immediate price and cost for retail 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:
Since for 2017 no quality of execution reports were available, only market data and other publically available data were used for the evaluation of execution venues.
- 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/E:
Not applicable. No consolidated tape provider was available for the evaluation of the quality of execution in 2017.

² <https://www.erstegroup.com/en/about-us/corporate-governance>

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