2018 RTS28 Report - Summary of the analysis
BNP Paribas Arbitrage SNC
Warrants and Certificate Derivatives

In accordance with the requirements of Article 27 of the European Directive 2014/65/EU on financial instruments "MiFID II" and the associated regulatory technical standards ("RTS 28"), this report has been published to provide details of the top five execution venues in which BNP Paribas Arbitrage SNC ("BNP Paribas") executed client orders during 2017 for each class of instrument as defined in MiFID II. The information provided is supplemented with analysis and conclusions based on the data provided for each asset class.

The report has been compiled from 2017 trading data, which was subject to different regulatory obligations and as such is produced on a best efforts basis. As a consequence in some cases, information required to be reported under these regulations may not be available to BNP Paribas or may contain an incomplete set of data.

This report and BNP Paribas Order Handling and Execution Policy is available via the following web address: https://cib.bnpparibas.com/MIFID

Table 1: Mifid II Best Execution Per Venue, Warrants and Certificate Derivatives, Retail

<table>
<thead>
<tr>
<th>Class of Instrument</th>
<th>(H)</th>
<th>(I) WARRANTS AND CERTIFICATE DERIVATIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notification if &lt;1 average trade per business day in the previous year</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Top five execution venues ranked in terms of trading volumes (descending order)</td>
<td>Proportion of volume traded as a percentage of total in that class</td>
<td>Proportion of orders executed as percentage of total in that class</td>
</tr>
<tr>
<td>BNP Paribas (BNPP)</td>
<td>100.00 %</td>
<td>100.00 %</td>
</tr>
</tbody>
</table>
Table 2: MiFid II Best Execution Per Venue, Warrants and Certificate Derivatives, Professional

<table>
<thead>
<tr>
<th>Class of Instrument</th>
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<tbody>
<tr>
<td>Notification if &lt;1 average trade per business day in the</td>
<td>N</td>
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<tr>
<td>previous year</td>
<td></td>
</tr>
<tr>
<td>Top five execution venues ranked in terms of trading</td>
<td>Proportion of volume traded as a percentage of</td>
</tr>
<tr>
<td>volumes (descending order)</td>
<td>total in that class</td>
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<td></td>
<td>Proportion of orders executed as percentage</td>
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<td></td>
<td>of total in that class</td>
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<td></td>
<td>Percentage of passive orders</td>
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<td></td>
<td>Percentage of aggressive orders</td>
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<tr>
<td></td>
<td>Percentage of directed orders</td>
</tr>
<tr>
<td>BORSA ITALIANA S.P.A. (X MIL)</td>
<td>49.27 % 42.29 % 0.00 % 100.00 % 0.00 %</td>
</tr>
<tr>
<td>BNP Paribas (BNPP)</td>
<td>36.00 % 12.30 % 0.00 % 100.00 % 0.00 %</td>
</tr>
<tr>
<td>BME - BOLSAS Y MERCADOS ESPANOLES (BMEX)</td>
<td>6.52 % 5.37 % 0.00 % 100.00 % 0.00 %</td>
</tr>
<tr>
<td>NORDIC GROWTH MARKET (X NGM)</td>
<td>5.38 % 37.29 % 0.00 % 100.00 % 0.00 %</td>
</tr>
<tr>
<td>SIX SWISS EXCHANGE (X SWX)</td>
<td>2.66 % 2.76 % 0.00 % 100.00 % 0.00 %</td>
</tr>
</tbody>
</table>

A breakdown on brokers was not available in the data used to produce this report.

A. 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 assessing the relative importance of the execution factors, BNP Paribas will consider the following criteria:

- the characteristics of the client including the regulatory categorisation of the client;
- the nature of the client’s instructions;
- the characteristics of the transaction;
- the characteristics of the financial instrument; and
• the characteristics of the execution venues to which the transaction can be directed.

In respect of warrant and certificate derivative transactions BNP Paribas will, in the absence of any specific instructions to the contrary, prioritise the Execution Factors in the following order:

I. price
II. speed
III. size of the request
IV. likelihood of execution
V. likelihood of settlement
VI. ability of execution venue to manage the quotation request

However, the execution factors chosen may vary depending where;

I. market liquidity is insufficient to fully execute the order;
II. a client provides specific execution instructions;
III. the client selects specific parameters of an execution algorithm; or
IV. market conditions indicate that in applying the execution factors in the order stated may result in a worse outcome for the client.

B. Description of any close links, conflicts of interests, and common ownerships with respect to any Execution Venues used to execute orders.

From time to time BNP Paribas may utilise affiliated entities to execute certain transactions. However, the selection and use of affiliated entities is subject to the same monitoring and review processes applied to third party venues and brokers.

It should be noted that BNP Paribas has a minor equity interest in a number of companies which operate or own execution venues that BNP Paribas may trade on. BNP Paribas does not have a controlling interest in the companies or venues that they operate. Additionally BNP Paribas has entered into arrangements with a number of execution venues, in which BNP Paribas is entitled to participate in revenue sharing arrangements.
Further details on the BNP Paribas Order Handling Policy and Conflicts of Interest policy, can be found on the link below: https://cib.bnpparibas.com/MIFID

C. Description of any specific arrangements with any Execution Venues regarding payments made or received, discounts, rebates or non-monetary benefits received.

BNP Paribas participates in standard volume rebate arrangements offered by various execution venues but such arrangements are available to all member firms of the relevant execution venue. These are standard revenue sharing arrangements that are available to other members of the execution venue and not specific to BNP Paribas. Such revenue sharing arrangements are entered into at a strategic level and do not influence day to day trading decisions and therefore the execution venue selection by BNP Paribas traders. The selection of execution venue is based solely on which execution venue enables BNP Paribas to satisfy its best execution obligations.

D. 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.

BNP Paribas continues to review the execution venues that it uses but no change has been made to these since the BNP Paribas execution policy was last published (January 2018).

E. 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.

BNP Paribas considers that for retail clients best execution is always owed as the clients will be placing legitimate reliance on BNP Paribas to provide best execution. The only exception will be where a retail client places an order with a specific instruction which may in certain circumstances prevent BNP Paribas from taking the necessary steps to obtain the best possible result for the client.

For professional clients BNP Paribas is only required to provide best execution where such clients are placing legitimate reliance upon BNP Paribas. This takes
into account the “Four-Fold Test” guidelines issued by the European Commission (ESC-07-2007). In such circumstances BNP Paribas would consider the following factors in determining whether best execution is owed.

- Which party initiates the transaction
- Common market practice and the existence of a convention to ‘shop around’
- The relative levels of price transparency within a market
- The extent to which any agreements between BNP Paribas and its clients indicate that the client is placing legitimate reliance upon BNP Paribas

In accordance with MiFID II regulations BNP Paribas does not owe a duty of best execution for eligible counterparties and as such the BNP Paribas Order Handling and Execution policy does not apply to orders received from eligible counterparties.

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.

BNP Paribas does not generally execute trades directly with retail clients. In the limited circumstance where trades are executed with retail clients, BNP Paribas considers total consideration (price and execution costs) to be the primary execution factor. If any other factors were to take precedence, this would only occur following discussion with, and agreement of, the retail client.

However, if a retail client places an order with specific instructions that cover each and every aspect of an order then the order will generally be executed in accordance with the client’s instruction which may mean that factors other than total consideration may take priority.

To the extent that a client places an order with specific instructions that only cover partial aspects of the order, best execution will be owed on the aspects of the order in respect of those elements not covered by the instructions.
G. Explanation of how the investment firm has used any data or tools relating to the quality of execution, including any data published under RTS 27.

BNP Paribas utilises a number of processes to analyse the quality of its execution arrangements. These processes will also encompass reviewing the data issued by other execution venues under RTS 27 once such information becomes available.

H. Explanation, where applicable, of how the investment firm has used output of a consolidated tape provider established under Article 65 of Directive 2014/65/EU;

BNPP does not currently use any consolidated tape provider for analysis of best execution, but will monitor the availability of such providers and the quality of information provided as part of on-going reviews of our best execution arrangements.