

Quality Report 2017 regarding the Execution Policy

Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Commodities derivatives and emission allowances Derivatives, Options and Futures admitted to trading on a trading venue	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
ICE Futures EuropelIFEU	100	100			100

¹ Passive Orders are those in the trading venue's order book which await execution and provide market liquidity, in so far as the trading venue's model allows this.

² Aggressive Orders are those which match the awaiting (Passive) orders in the trading venue's order book and lead to execution of both orders, thereby reducing market liquidity.

Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Currency derivatives, Futures and options admitted to trading on a trading venue	01/01/2017	31/12/2017	Y

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 passive orders ¹	Percentage of aggressive orders ²	Percentage of directed orders of total traded volume on execution venue
Chicago Mercantile Exchange XCME	100	100			100

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Debt instruments, Bonds	01/01/2017	31/12/2017	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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Stuttgart Stock Exchange XSTU	47.81	43.97			78.84
Frankfurt Floor XFRA	25.42	20.45			75
Vienna Exchange XVIE	15.98	26.07			93.09
Berlin Stock Exchange XBER	6.95	6.75			98.76
Dusseldorf Stock Exchange XDUS	2.52	1.17			92.86

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Debt instruments, Money markets instruments	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Stuttgart Stock Exchange XSTU	68.6	73.91			97.06
Frankfurt Floor XFRA	30.54	14.13			76.92
Berlin Stock Exchange XBER	0.71	10.87			100
Munich Stock Exchange XMUN	0.15	1.09			100

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Equity Derivatives, Options and Futures admitted to trading on a trading venue	01/01/2017	31/12/2017	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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Eurex European Market XEUR	98.3	86.87			100
C2 Options Exchange XCBO	1.59	12.06			100
NYSE Amex Options AMXO	0.11	1.07			100

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Equities - Shares & Depository Receipts	01/01/2017	31/12/2017	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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Vienna Exchange XVIE	43.11	43.76			64.94
Deutsche Börse AG XETR	31.82	27.49			85.06
New York Stock Exchange XNYS	5.6	6.56			70.84
Frankfurt Floor XFRA	5.4	5.67			91.97
Nasdaq NMS XNMS	3.62	6.16			85.26

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)	01/01/2017	31/12/2017	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 passive orders ¹	Percentage of aggressive orders ²	Percentage of directed orders of total traded volume on execution venue
Deutsche Börse AGIXETR	67.17	73.5			90.66
Frankfurt FloorlXFRA	17.03	10.74			51.23
London Stock ExchangeXLON	5.23	2.51			56.14
Stuttgart Stock ExchangeXSTU	3.81	4.18			90.53
Borsa ItalianaXMIL	2.07	1.54			28.57

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Other instruments	01/01/2017	31/12/2017	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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Frankfurt FloorIXFRA	91.02	44.08			83.97
Vienna ExchangeXVIE	3.44	0.6			100
Berlin Stock ExchangeXBER	2.24	23.68			97.06
Stuttgart Stock ExchangeXSTU	0.96	7.76			91.03
Deutsche Börse AGIXETR	0.62	10.15			95.1

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Securitized Derivatives, Warrants and Certificate Derivatives	01/01/2017	31/12/2017	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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Frankfurt Floor XFRA	47.5	46.3			99.58
Stuttgart Stock Exchange XSTU	45.67	45.41			93.34
Vienna Exchange XVIE	3.77	5.26			93.17
Deutsche Börse AG XETR	2.56	2.29			98.57
New York Stock Exchange XNYS	0.49	0.67			39.02

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Securitized Derivatives, Other securitized derivatives	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Stuttgart Stock Exchange XSTU	61.6	50			100
Spanish Stock Exchange Interconnection System XMCE	38.4	50			0

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Retail	Execution	Structured finance instruments	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Frankfurt FloorlXFRA	54.05	38.62			84.93
Vienna ExchangeXVIE	20.52	19.05			97.22
Stuttgart Stock ExchangeXSTU	19	30.16			100
Berlin Stock ExchangeXBER	6.14	2.64			80
London Stock ExchangeXLON	0.28	7.41			100

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Professional	Execution	Currency derivatives, Futures and options admitted to trading on a trading venue	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Chicago Mercantile Exchange\XCME	100	100			100

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Professional	Execution	Debt instruments, Bonds	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Stuttgart Stock Exchange XSTU	60.37	44			84.85
Frankfurt Floor XFRA	24.39	28			76.19
Vienna Exchange XVIE	9.59	21.33			100
Berlin Stock Exchange XBER	5.65	6.67			100

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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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Stuttgart Stock Exchange XSTU	100	100			100

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Professional	Execution	Equities - Shares & Depository Receipts	01/01/2017	31/12/2017	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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Vienna Exchange XVIE	44.69	47.55			60.55
Deutsche Börse AG XETR	31.42	29.43			86.05
New York Stock Exchange XNYS	6.9	3.98			61.29
Frankfurt Floor XFRA	5.06	5.69			90.6
Nasdaq NMS XNMS	2.41	2.63			63.41

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Professional	Execution	Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)	01/01/2017	31/12/2017	Y
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 passive orders ¹	Percentage of aggressive orders ²	Percentage of directed orders of total traded volume on execution venue
Deutsche Börse AGIXETR	81.94	77.14			96.3
Frankfurt FloorlXFRA	9.26	7.14			40
Swiss Stock ExchangeIXSWX	2.86	1.43			100
Stuttgart Stock ExchangeIXSTU	1.99	2.86			100
London Stock ExchangeXLON	1.86	4.29			66.67

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Professional	Execution	Other instruments	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Frankfurt Floor XFRA	41.71	43.75			78.57
Berlin Stock Exchange XBER	32.32	37.5			100
Stuttgart Stock Exchange XSTU	20.5	12.5			50
Munich Stock Exchange XMUN	2.74	3.13			100
Dusseldorf Stock Exchange XDUS	2.73	3.12			100

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Professional	Execution	Securitized Derivatives, Warrants and Certificate Derivatives	01/01/2017	31/12/2017	Y
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 passive orders ¹	Percentage of aggressive orders ²	Percentage of directed orders of total traded volume on execution venue
Stuttgart Stock Exchange XSTU	48.31	41.93			93.59
Frankfurt Floor XFRA	46.03	48.92			100
Vienna Exchange XVIE	3.03	5.38			100
Deutsche Börse AG XETR	2.55	3.23			100
New York Stock Exchange XNYS	0.08	0.54			100

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Client Type	Interaction	Class of Instrument	Period start	Period end	Notification if <1 average trade per business day in the previous year
Professional	Execution	Structured finance instruments	01/01/2017	31/12/2017	Y
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 passive orders¹	Percentage of aggressive orders²	Percentage of directed orders of total traded volume on execution venue
Frankfurt FloorIXFRA	99.77	66.67			100
Stuttgart Stock ExchangeXSTU	0.23	33.33			100

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Information about the Quality Report 2017 regarding the Execution Policy of Bank Austria

The following report refers exclusively to the year 2017. Comments will only be given on facts which were relevant during this time. Therefore especially the articles 3 (3) sentences g) and h) of the Delegated Regulation (EU) 2017/576 of the EU Commission (subsequently Regulatory Technical Standard “RTS 28”) will not be taken into account.

The Execution Policy of UniCredit Bank Austria (subsequently “Bank Austria”) of 2017 was based on a static logic. Bank Austria regularly monitored whether the static set of rules led to the best possible execution and adjusted the logic if necessary.

The following aspects were considered by Bank Austria according to its Execution Policy:

- The price of the financial instrument;
- The costs related to execution of an order;
- The speed of execution;
- The probability of execution and processing of an order;
- The size and type of an order;
- All other aspects relevant to achieving the best possible result in the execution of an order;
- Qualitative factors to be considered when determining the execution venues;

The primary financial intermediary (Broker) for Bank Austria in 2017 for client orders was the UniCredit Bank AG. This broker provided fast and reliable order execution in the past without detecting any quality differences in detail.

Our broker did not have special agreements with any of its offered execution venues and consequently, did not receive any payments / discounts or non-monetary benefits from these execution venues. Furthermore, no closer contractual commitment or ownership structures existed. For the report period our broker is not aware of facts leading to a conflict of interest.

In the event of a failure, UBS Limited (head office: 5 Broadgate, EC2M 2QS London, United Kingdom) was enlisted as our replacement broker.

When determining the relevant execution venues, Bank Austria considered the execution venues where the financial instruments concerned were traded in significant volumes. The selection of the execution venues was monitored periodically through control procedures and adjusted if necessary.

If an execution of an order was offered to the client by Bank Austria according to the best-execution rules, the logic for determining the best possible execution venue for the client was static. The data of this report is exclusively referring to Best Execution Orders and thus, does not contain orders which were executed at the direct instruction of a client (so-called client directive orders). If Bank Austria executed an order according to an explicit client instruction concerning the execution venue, Bank Austria had no obligations to reach the best possible outcome. This includes orders which were placed through an ElectronicBanking product of Bank Austria (OnlineBanking, BusinessNet) and through a securities investment plan account or the securities savings scheme via securities standing orders. Sell orders were also excluded from the proof of Best Execution, because sales are always processed through the same depository as the original purchase of the financial instrument due to high costs resulting from a reassignment to another depository. This applies to position purchases analogously.

Due to the current Execution Policy of UniCredit Bank Austria will fulfill this report obligation in three blocks:

- Exchange traded securities
- Over-the-counter transactions in bonds, bond-like and structured securities
- Exchange traded derivatives

Hereafter, we will discuss in detail the RTS 28 regulated facts regarding the above-mentioned blocks.

Exchange traded security transactions

Domestic securities

Domestic securities were generally traded in Austria, so that against the backdrop of the required price quality and the lower execution-related costs, the Vienna Stock Exchange was the appropriate execution venue. On the basis of consistently highest liquidity as well as rapid and cost-efficient execution, Bank Austria therefore executed orders regarding Austrian securities, e.g. sell or buy orders of domestic ETFs, through the electronic trading system of the Vienna Stock Exchange.

Foreign securities

In principle, orders regarding foreign securities were executed on the home stock exchange as this offered the securities in question the highest liquidity and, related to this, the consistently highest probability of execution and probability of best price formation.

Because cost advantages only take effect in larger order sizes, it was usually more favorable

- to execute orders of assets listed on the Vienna Stock Exchange domestically – at least for smaller order sizes – or
- to sell foreign securities in the country in which the securities are stored.

Sell orders of foreign securities were thus executed where the depository was located. Other buy or sell orders of nationally listed assets were in case of smaller order sizes executed at the Vienna Stock Exchange. Larger order sizes or assets not listed on the Vienna Stock Exchange were executed on the respective stock exchange in the country of origin.

For retail clients, the achievement of the best possible result was assessed on the basis of the overall valuation, which comprises the price of the financial instrument and all costs which are related to execution of an order. Speed, probability of execution and settlement, the scope and type of order, market impact and any other implicit transaction costs may take precedence over direct price and cost considerations to the extent that these factors contribute to achieving the best possible result for the retail client in the context of the total consideration.

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Errors and misprints excepted.
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Over-the-counter transactions in bonds, bond like and structured securities

Over-the-counter transactions do not fall under the regulations of the RTS 28 and thus are not considered in this report.

Exchange traded derivatives

Exchange traded derivatives fall under the reporting obligations of RTS 28 art. 3 (2). According to the execution policy, Bank Austria always expects its clients to specify the execution venue, thus these are not considered in this report.

Outcome:

All evaluations of Bank Austria showed that the rules of the Execution Policy of UniCredit Bank Austria AG to determine the best possible execution venue for the transactions in question predominantly led to the best possible execution of the transactions.