

Top 5 Execution Venues

Bank of China Limited, Luxembourg Branch

2020

Section I: Background Information

According to the requirement of Directive 2014/65/EU, investment firms need to summarise and make public on an annual basis, for each class of financial instruments, the top five execution venues in terms of trading volumes where they executed client orders in the preceding year and information on the quality of execution obtained. Classes of financial instruments include:

- (a) Equities – Shares & Depositary Receipts
 - (i) Tick size liquidity bands 5 and 6 (from 2000 trades per day)
 - (ii) Tick size liquidity bands 3 and 4 (from 80 to 1999 trades per day)
 - (iii) Tick size liquidity band 1 and 2 (from 0 to 79 trades per day)
- (b) Debt instruments
 - (i) Bonds
 - (ii) Money markets instruments
- (c) Interest rates derivatives
 - (i) Futures and options admitted to trading on a trading venue
 - (ii) Swaps, forwards, and other interest rates derivatives
- (d) credit derivatives
 - (i) Futures and options admitted to trading on a trading venue
 - (ii) Other credit derivatives
- (e) currency derivatives
 - (i) Futures and options admitted to trading on a trading venue
 - (ii) Swaps, forwards, and other currency derivatives
- (f) Structured finance instruments
- (g) Equity Derivatives
 - (i) Options and Futures admitted to trading on a trading venue
 - (ii) Swaps and other equity derivatives
- (h) Securitized Derivatives
 - (i) Warrants and Certificate Derivatives
 - (ii) Other securitized derivatives
- (i) Commodities derivatives and emission allowances Derivatives
 - (i) Options and Futures admitted to trading on a trading venue

- (ii) Other commodities derivatives and emission allowances derivatives
- (j) Contracts for difference
- (k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)
- (l) Emission allowances
- (m) Other instruments

Passive order means an order entered into the order book that provided liquidity.

Aggressive order means an order entered into the order book that took liquidity.

Directed order means an order where a specific execution venue was specified by the client prior to the execution of the order.

Section II: Execution venues

I. Derivatives

Client type	Professional				
Class of Instrument	(c) Interest rates derivatives (ii) Swaps, forwards, and other interest rates derivatives				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
BANK OF CHINA LIMITED 54930053HGCFWVHYZX4 2	100%	100%	0%	100%	0%

Note:

The Bank executes the order following specific instructions from the client only. The Bank, acting honestly and professionally, undertakes to check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of the relevant product and, where possible, by comparing with similar or comparable products. They offer the best prospects of affording the Client the best possible result on a consistent basis, taking into account price, cost, speed of execution, likelihood of execution and size of the order. The products are OTC derivatives and the Bank acts as the counterparty of the clients and the only execution venue in 2020. Thus, the Bank has not chosen any other execution venue and has no close links, conflicts of interest or common ownership, payment or inducement arrangements with any external execution venues. The products are provided to Professional Clients only, i.e. there is no difference of order execution in terms of client categorisation. The Bank will use information derived from its internal best execution monitoring tools and processes, and will follow the published data from market to try to enhance execution quality..

Client type	Professional				
Class of Instrument	(e) currency derivatives (ii) Swaps, forwards, and other interest rates derivatives				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
BANK OF CHINA LIMITED 54930053HGCFWVHYZX4 2	77%	53%	0%	100%	0%
FXall Electronic Trading Platform (FXRQ)	23%	47%	0%	100%	100%

Note: The Bank executes the order following specific instructions from the client only. The Bank, acting honestly and professionally, undertakes to check the fairness of the price proposed to the client, by gathering market data used in the estimation of the price of the relevant product and, where possible, by comparing with similar or comparable products. They offer the best prospects of affording the Client the best possible result on a consistent basis, taking into account price, cost, speed of execution, likelihood of execution and size of the order. The products are OTC derivatives and the Bank acts as the counterparty of the clients in 2020. In addition, the Bank has also included FXall as external execution venue in 2020 since it is an automatic trading platform very frequently used by in the market. The Bank has no close links, conflicts of interest or common ownership and no payment or inducement arrangements with FXall. The products are provided to Professional Clients only, i.e. there is no difference of order execution in terms of client categorization. The Bank will use information derived from its internal best execution monitoring tools and processes, and will follow the published data from market to try to enhance execution quality.

II. Structured Products

Client type	Retail				
Class of Instrument	(f) Structured finance instruments				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
BANK OF CHINA LIMITED 54930053HGCFWVHYZX4 2	100%	100%	0%	100%	0%

Note: In 2020, the Bank was the issuer and exclusive distributor of the products. Therefore, there is no specific arrangement with any external execution venue regarding payments made or received, discounts,

rebates or non-monetary benefits received. In 2020, the products have been only distributed to retail clients, and there is no difference of order execution in terms of client categorization. The Bank has followed the clients' specific instruction during the execution.

III. Equities

Client type	Retail				
Interaction	Reception and transmission of orders				
Class of Instrument	(a) (iii) Equities - Shares & Depository Receipts - Tick size liquidity bands 1 and 2				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
BOCI Hong Kong (549300VO4FJKJIJG2H24)	86.23%	83.33%	0%	100%	0%
UBS (549300WOIFUSNYH0FL22)	13.77%	16.67%	100%	0%	0%

Client type	Retail				
Interaction	Reception and transmission of orders				
Class of Instrument	(a) (ii) Equities - Shares & Depository Receipts - Tick size liquidity bands 3 and 4				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
UBS (549300WOIFUSNYH0FL22)	100%	100%	100%	0%	0%

Client type	Retail				
Interaction	Reception and transmission of orders				
Class of Instrument	(a) (i) Equities - Shares & Depository Receipts - Tick size liquidity				

	bands 5 and 6				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
UBS (549300WOIFUSNYH0FL22)	70.59%	47.62%	90.00%	10.00%	0%
BOCI Hong Kong (549300VO4FJKJIJG2H24)	29.41%	52.38%	18.18%	81.82%	0%

Note: The Bank follows the specific instructions of the client in relation to how an order should be executed. Nevertheless the Bank may use its commercial experience and judgment to give precedence to other factors such as speed, likelihood of execution and settlement, size, nature of order, its market impact and implicit transaction costs, but only insofar as they are instrumental in providing the Client with the best possible result in terms of the total consideration. The list of brokers/execution venues in 2020 has not been changed. The transaction execution of shares in Hong Kong is made through BOCI which is a Bank of China Group subsidiary, however the execution of orders is not influenced by this linkage. The Bank does not have specific arrangement with any broker other than the execution of customer orders, and as a result there have been no other payment made or received, nor discounts, rebates or non-monetary benefits received. The approach to execution does not differ depending on client category.

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

Client type	Retail				
Interaction	Reception and transmission of orders				
Class of Instrument	(k) Exchange traded products (Exchange traded funds, exchange traded notes and exchange traded commodities)				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
UBS (549300WOIFUSNYH0FL22)	100%	100%	0%	100%	0%

Note: The Bank follows the specific instructions of the client in relation to how an order should be executed. Nevertheless the Bank may use its commercial experience and judgment to give precedence to other factors such as speed, likelihood of execution and settlement, size, nature of order, its market impact and implicit transaction costs, but only insofar as they are instrumental in providing the Client with the best possible result in terms of the total consideration. The list of brokers/execution venues in 2020 has not been changed. The transaction execution of funds in Hong Kong is made through BOCI which is a

Bank of China Group subsidiary, however the execution of orders is not influenced by this linkage. The Bank does not have specific arrangement with any broker other than the execution of customer orders, and as a result there have been no other payment made or received, nor discounts, rebates or non-monetary benefits received. The approach to execution does not differ depending on client category.

V. Other Instruments (Collective Investment Schemes)

Client type	Retail				
Class of Instrument	(m) Other Instruments (Collective Investment Schemes)				
Notification if < 1 average trade per business day in the previous year	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	Percentage of aggressive orders	Percentage of directed orders
Clearstream Banking SA 549300OL514RA0SXJJ44	100%	100%	0%	0%	0%

Note: For the Collective Investment Schemes (Mutual Funds) there is no secondary market, the orders are executed directly with the administrator, which is the sole counterparty and the price offered is the NAV (net asset value of the mutual fund), the most important factor is the likelihood of the order execution which is defined in the fund prospectus.