Product Information

This document provides you with product information about Foreign Exchange SWAP. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in a Foreign Exchange Forward. You are advised to read it so you can make an informed decision about whether to invest.

Foreign Exchange Forward

Provider: Bank of China Paris Branch

Caution: You are about to purchase a product that is not simple and may be difficult to understand.

Definition and Objectives

Definition

Foreign Exchange Forward (FX Forward) is a binding contract in the FX market between two parties that agree to lock in the exchange rate of a currency pair to exchange on a future maturity date for a predetermined amount. At maturity, the investor will get the amount agreed at the beginning of the transaction.

Objectives

The objective is to provide a tailor-made solution where the client can lock in the FX rate of a currency pair for a determined amount. Since the exchange rates are agreed from the outset, the FX rate of the transaction will not be affected by the fluctuation of the foreign exchange market.

Intended investor

FX forward is offered to investors who understand the forces that impact in the currencies exchange rate. Hence, it is available for Professional client and Eligible counterparty. The investment objective of the intended client is the access to foreign currencies for a given period of time at fixed rates. The investor should have an investment horizon aligned with the holding period of the FX Forward and should be able to bear the risk associated with market fluctuations.

The FX Swap has a maturity date. Neither the provider nor the client is entitled to terminate the product agreement unilaterally (except specific conditions in the FX Transaction Application).

Risk and reward profile

Significant risk(s) for the FX Forward are:

Liquidity risk: FX Forward is a type of product that is intended to be held until maturity. Investors are not entitled to early redemption of invested principal or accrued interest before maturity. Accordingly, it may not be possible for investors to modify, terminate or transfer their rights and obligations, or their exposure to the risks associated with a particular transaction, prior to its scheduled termination date.

Exchange Rate Risk: is the risk of loss arising from exchange rate fluctuations. Investors should be aware that the fixed rate might not be better than the market spot rate at maturity.

Credit Risk: it shall be low, as BOC has a good rating level from external credit ratings. However, the products, as the bank's direct, unsubordinated and unsecured obligation, rely on the Bank’s credibility and solvency. If the Bank becomes insolvent or subject to other similar events, investors may experience significant risk and delay in recovering their investment

Performance Scenarios

FX Forward are not products focused on capital gains.

Scenario	Results
Favorable scenario	Client would pay a lower price than the market price at maturity in terms of foreign exchange spot rate.
Unfavorable scenario	As market might be inconsistent with client’s expectation, the fixed price clients pay would be worse than market spot price.

Charges

There would be an ‘all-in’ price, which might include bid or offer spread. Bank of China Paris Branch will not charge any other fee for building or distributing FX Forward as a provider.

Recommended Holding period

Recommended holding period depends on the maturity of the FX Forward and matches with the time horizon and liquidity constraints of the investor.

The Investor may request the early termination of this agreement. Such request must be made in writing to the provider, setting out the reasons for the early termination. Acceptance of the early termination request is at the sole discretion of the provider and subject to any costs or penalties that may arise to the investor or the provider due to the early termination, such costs to be borne by the investor.

Complaints

A complaint can be addressed to the Bank by post, email, fax or telephone to Legal & Compliance department of the Bank:

Attention: Legal & Compliance department

23/25 Avenue de Grande Armée, 75116 Paris, France

Tel: + (33) 149 706 253

Fax: + (33) 149 701 375

Email: compliance.fr@bankofchina.com

Complainant should clearly indicate his/her personal and contact details as well as description of the object of the complaint.

Other relevant information

Depending on your tax regime, returns may be subject to taxation. We advise you to consult your relationship manager for more information on taxation.

Additional information is available in the provider website (www.bankofchina.com/fr/) or by contacting your relationship manager.