



Bank of China UK Limited

Client Clearing of Rates Products via SwapClear at London Clearing House, LCH

Bank of China (UK) Limited (BOC UK) is now offering clearing services for OTC rates derivatives products on CCP, London Clearing House (LCH).

Our OTC Derivatives Clearing Services are available for Financial Institutions, Institutional Investors, Brokers and Market Makers. Our clients can benefit from the following services:

- CCP Clearing via a Gross Omnibus Segregated Account (OSA) Structure (Client Margin Calls are Gross).
- Collateral Management, the expected full suite of services:
 - Prefunding by the client
 - Intraday and overnight margin calls
 - Margin projection services on demand for proposed deals
 - Internet banking available
- Regulatory Reporting – all cleared trades are reported to trade repository, UnaVista

The full range of LCH OTC rates products are available:

- Interest Rate Swaps (Plain Vanilla/Basis Swaps)
- Overnight Index Swaps (OIS)
- Variable Notional Swaps (VNS) or Amortising Swaps

The following currencies are supported:

- GBP
- USD
- EUR

We provide standardised daily client reporting and sent to you via a secure server. Also, we can provide customised reporting upon request and monthly fee billing.

Our fee structure is competitive and caters for all client strategies with a low minimum account charge.

Note that only cash collateral will be acceptable from all clients. Interest on credit balances at the CCP will be passed through at the prevailing CCP rate, positive or negative.

Please contact us separately about Individually Segregated Accounts (ISA) – quotation available upon request.

Pricing Schedule for OTC Clearing Services (CCP Client Clearing) delivered by BOC UK Ltd

Gross OSA

	Fee type	Fee																
1	Clearing Fee	USD700 per ticket																
2	Transaction Fee	USD200 per cash withdrawal																
3	Maintenance Fee	USD800 per OTC position per month																
4	Gross Notional Fee	0.3 bps or 30 per million annualised of swap currency on month-end gross notional, billed at month end in arrears																
5	Financial Resource Utilisation Fees (spread on initial margin)	<p>75 annual bps on the Initial Margin Requirement of the CCP, calculated daily, billed at month end in arrears</p> <p>Negative interest rates applied to excess cash above Initial Margin:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Interest Rates Applied to Cash in the Account after Initial Margin Requirement</th> <th style="text-align: center;">Currency</th> <th style="text-align: center;">Risk Free Rate</th> <th style="text-align: center;">Excess margin Interest Rate Spread Charge %</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">EUR</td> <td style="text-align: center;">€STR</td> <td style="text-align: center;">-0.25</td> </tr> <tr> <td></td> <td style="text-align: center;">GBP</td> <td style="text-align: center;">SONIA</td> <td style="text-align: center;">-0.25</td> </tr> <tr> <td></td> <td style="text-align: center;">USD</td> <td style="text-align: center;">SOFR</td> <td style="text-align: center;">-0.25</td> </tr> </tbody> </table>	Interest Rates Applied to Cash in the Account after Initial Margin Requirement	Currency	Risk Free Rate	Excess margin Interest Rate Spread Charge %		EUR	€STR	-0.25		GBP	SONIA	-0.25		USD	SOFR	-0.25
Interest Rates Applied to Cash in the Account after Initial Margin Requirement	Currency	Risk Free Rate	Excess margin Interest Rate Spread Charge %															
	EUR	€STR	-0.25															
	GBP	SONIA	-0.25															
	USD	SOFR	-0.25															
6	Minimum Account Charge (MAC)	<p>USD15,000 per month per client (difference is payable only where total monthly fees fall below this amount)</p> <p style="text-align: center;"><u>WAIVED FOR FIRST TWELVE MONTHS AFTER EXECUTION AND CLEARING OF FIRST DEAL WITH BANK OF CHINA (UK) LIMITED</u></p>																
7	Onboarding and Account Opening Fee	USD500 for initial account and USD250 for any subsequent account(s)																
8	Late interest fees due to insufficient client funded collateral to meet CCP call	<p>Where T+1 payment cut-off point (0800 GMT) missed:</p> <p style="text-align: center;">Bank of China's overnight base rate + 2.5% (annualised basis)</p>																

	Fee type	Fee
9	Porting and backloading fees	Free of charge

All BOCUK charges above are in addition to all LCH CCP Clearing Fees that are available at the following link from the CCP:

CCP fees	LCH fees are calculated in accordance with LCH published standard. Details found on LCH website: https://www.lch.com/services/swapclear/fees
----------	---

All fees are subject to periodic change at the sole discretion of Bank of China (UK) limited.

The securities and financial products described in this presentation and any associated material (collectively, the "Material") provided by Bank of China Limited, its subsidiaries, affiliates or group companies (collectively, "BOC Group"), may not be relevant to all persons in all geographic locations. Only persons who are permitted by applicable law may possess the information and/or accept the securities and products described in the Material. Persons accessing the Material are required to ensure that they are aware of and will observe all relevant restrictions that may apply to them and are responsible for satisfying themselves that they may do so under relevant laws. The information contained in the Material is for general reference only and is provided on an "as is" basis without warranty of any kind and may be changed at any time without prior notice. This communication is not a personal recommendation, investment research or investment advice, nor any form of legal, financial, accounting or tax advice, and does not take into account whether any product or transaction is suitable for your particular circumstances. Before acting on any information contained in this communication you should consider its suitability having regard to these matters and seek independent financial advice. This communication is not to be relied upon in substitution for the exercise of independent judgment. The securities or financial products referred to in the Material may not be offered or sold, directly or indirectly, and neither the Material nor any offering material relating to such securities or financial products may be distributed or published in or from any jurisdiction except under circumstances that will result in compliance with all applicable laws of any such jurisdiction. This communication is confidential and is for the benefit and internal use of our clients and must not be forwarded or shared with retail customers, nor the public (whether by press or other means). This communication is not to be reproduced, in whole or part, without our written consent. We will not treat unauthorised recipients of this communication as clients and accept no liability for use by them of the contents herein.

The Material should not be regarded as an offer, invitation, solicitation or recommendation to buy, sell, subscribe to or invest in any securities and financial products or investments in any jurisdiction to any person to whom it is unlawful to make such an offer, invitation, solicitation or recommendation in such jurisdictions. People reading the Material should consult their own professional advisers before making any investment in or decision to purchase any securities or financial products. It is not possible for the Material to disclose all of the risks and other significant aspects associated with the securities and products described herein. No person should deal in any such securities or financial products unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective investor should consider carefully whether the securities and products are suitable for it in the light of its circumstances and financial position. BOC Group strongly recommends that prospective investors should therefore consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of any securities and products. The securities and financial products referred to in the Material have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Act"). The securities and products may not be at any time offered, sold, transferred, delivered, exchanged, exercised or redeemed within the United States or to, or for the account or benefit of, any U.S. person (as defined in the Act or the U.S. Internal Revenue Code of 1986, as amended). To the extent that any information in the Material is identified as being indicative, you should note that such information is reflective of the terms as of the specified date and is based on current assumptions and market conditions under which BOC Group believes an issuance might be carried out or a product offered. No assurance can be given that such an issuance could in fact be executed and no specific issuer is obligated to make such an issue or offer. Although the information in the Material has been prepared in good faith, BOC Group does not represent or warrant its accuracy, truthfulness and completeness. All estimates and opinions included in the Material constitute BOC Group judgment as of the date of the Material and may be subject to change without notice and past performance is not an indication of future results. At any time, member(s) of the BOC Group may act as distributor or market maker or otherwise be long or short of or have a financial interest in transactions described in the Material or the underlying securities.

To the extent permitted by applicable law, BOC Group disclaims liability for any error, omission or inaccuracy in the Material and shall not be responsible whatsoever (for negligence or otherwise) for any loss or damages that are incidental to or resulting from any use or reliance on the Material including without limitation any estimates, forecasts or opinions expressed therein or otherwise howsoever arising in connection with the material. The securities and financial products described in the Material are neither endorsed, issued, sold nor promoted by The Stock Exchange of Hong Kong Limited. All liability of The Stock Exchange of Hong Kong Limited is excluded. Members of the BOC Group may enter into discount, commission or other fee arrangements with brokers and/or any of its affiliates with respect to the primary or secondary market of products described in the Material or enter into arrangements where they will agree to pay commission to certain brokers on transactions in particular products on behalf of clients of the relevant brokers. Prospective investors should therefore make enquiries with their respective brokers as to the terms and/or existence of any such commission arrangements and note that any brokers with whom a member of the BOC Group has a commission arrangement with does not and cannot be expected to deal exclusively in BOC Group products. In availing yourself of the services described in the Material, you are deemed to represent that you have made your decision based upon your own judgment and not in reliance upon any view expressed by Bank of China Limited and/or any of its subsidiaries, affiliates or group companies and that you fully understand all the risks involved and are capable of assuming and willing to assume such risks. The Material is being distributed only to, and is directed only at, persons who are (i) outside the United Kingdom, or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), or (iii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). The securities or financial products referred to in the Material are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities or products will be made to or engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on the Material or any of its contents. The Material is being communicated to persons in the United Kingdom by Bank of China Limited and has not been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 by a person authorised for the purposes of such Act. Bank of China Limited (authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority) may be acting, in relation to any invitation, offer or agreement to subscribe, purchase or otherwise acquire the securities or financial products described in the Material, on its own account and/or for issuers of such securities or financial products and no-one else and will not regard any other person (whether or not a recipient of the Material or other information) as its client in relation to any such invitation, offer or agreement and will not be responsible to any such other person for providing the protections afforded to clients of Bank of China Limited or for providing any advice in relation to any such invitation, offer or agreement.