

Best Execution Information

Summary of the analysis and conclusions drawn from HSBC UK Bank plc, Private Banking's (HSBC UK's) detailed monitoring of the quality of execution in 2020.

Class of Instrument: Swaps, Forwards and other currency derivatives

Notification if <1 average trade per business day in the previous year: 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	Percentage of aggressive orders	Percentage of directed orders
HSBC Bank plc* (MP6I5ZYZBEU3UXPYFY54)	100%	100%	N/A	N/A	0%

* Relevant trades for the purpose of this class of instrument are Dual Currency Investments, FX Forwards and FX Options. HSBC UK acted as counterparty to trades for FX Forwards. These trades were predominantly hedged on a back to back basis with HSBC Bank plc which therefore provided the liquidity for the trades and as such is treated as the execution venue for the purposes of this report. Please note a small number of trades may not be hedged. However, pricing was based on HSBC Bank plc quotes in the same way as for hedged trades.

HSBC UK traded Dual Currency Investments and FX Options as client agent with HSBC Bank plc as the client's contractual counterparty. As such HSBC Bank plc was the execution venue for all such transactions.

HSBC UK and HSBC Bank plc are members of the HSBC Group, one of the world's largest banking and financial services organisations.

For all trades executed in 2020, and unless specifically instructed by clients, HSBC UK considered the following factors paramount in obtaining best execution (in order of priority):

1. The **price** of the financial instrument and the **costs** related to execution were together considered the most important factors in providing best execution.
2. The **speed** at which HSBC UK was able to execute client orders as this enabled HSBC UK to offer a price representative of the market at the time the order was given.
3. The **size** of the order, and the overall **liquidity** of the financial instrument being traded. In 2020 all client trades were in liquid currency pairs and in sizes that allowed HSBC UK to execute these transactions outright and within normal operational thresholds.
4. Other factors considered were the **likelihood of execution and settlement** and **counterparty risk**. Counterparty risk on HSBC UK and on HSBC Bank plc for Dual Currency Investments and FX Options, from a credit standpoint was considered acceptable for our clients. In addition systems, controls and arrangements within HSBC UK and/or HSBC Bank plc (as relevant) were considered to adequately address execution and settlement risk.

HSBC UK frequently monitored and reviewed trades in 2020 to ensure its best execution thresholds were maintained. On the basis of this monitoring HSBC UK remains satisfied that the arrangements it makes with respect to the execution of client orders for this class of instrument, including obtaining liquidity from HSBC Bank plc, enabled it to comply with its best execution obligations for retail clients. HSBC UK did not receive any payments, discounts, rebates or non-monetary benefits from HSBC Bank plc in connection with the above arrangements. HSBC Bank plc charges were included in the price of the hedging contract or, in the case of Dual Currency Investments and FX Options, in the price of the relevant instrument executed on behalf of the client, and as such were reflected in the pricing offered to HSBC UK clients.

For the service of order execution HSBC UK treated all clients as retail clients; all execution decisions were made according to a single policy.

For information on Best Execution for Fixed Income, Equities, ETFs, Funds and Structured Products please refer to HSBC UK Bank plc, Private Banking's relevant [RTS 28 report](#).

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