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Know Your Investment Risk (KYIR)
PREMIUM CURRENCY INVESTMENTS

A currency linked structure is a principal-at-risk investment where the payoff is linked to the performance of the exchange rate of a pair of currencies.

Product Features

- A Premium Currency Investment (PCI) is a structured product referenced to the exchange rate of a desired currency pair. The structured product entails the risk of settlement at maturity in the alternate currency at a defined rate.
  - Where knock-in applies, payment at maturity in the alternate currency is dependent on whether the strike (target conversion rate) is activated
  - Where knock-out applies, payment at maturity in the alternate currency is also subject to the structured product not being early terminated.
- As a result, the investment return is higher than a standard deposit.

Investor's Profile

- You wish to enjoy higher interest rates on your funds and do not mind receiving either the base or alternate currency as you have need for both the currencies.
- You can accept
  - the return on your initial investment amount being payable only at maturity or in cases where knock-out applies, an early termination with coupon
  - adverse currency fluctuations
  - the possibility of receiving your initial investment amount and coupon amount in the poorer performing currency
  - the possibility of losing part or substantially all of your initial investment amount should you receive the alternate currency at maturity or if SCB defaults.

Investor's View

- You feel that you are holding a currency that may be weakening against an alternate currency. If, however, the view is that the PCI yield offsets the expected depreciation, you would contract a PCI over the defined period

WARNING: This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice. The investment decision is yours and you are advised to exercise caution in making any investment decision, including understanding the extent of your exposure to loss of your initial investment with regards to your financial situation, investment experience and investment objectives. This document contains a brief summary of some (and NOT ALL) of the structured product terms, features and risk disclosures and is not meant to be an exhaustive summary. You should refer to the relevant Product Documentation for complete details of the structured product, including meanings of the capitalised terms not defined here. The terms of any transaction will be agreed with you through a discussion with an indicative term sheet and set out in a post-confirmation notice that SCB sends to you. The contents of this document have not been reviewed by any regulatory authority. If English is not your preferred language, please check with your relationship manager if this KYIR and other Product Documentation relating to this product is available in your preferred language. Some documentation is available only in English. If this is the case and you do not understand the contents of either this document or any other Product Documentation relating to this product, you should not invest in this product."

Key Drivers

The coupon largely depends on the currency pair and the chosen target conversion rate. Generally, for volatile currency pairs and the closer the strike (target conversion rate) is to the current exchange rate the higher the coupon. The coupon would be lower for structures with knock-in and/or knock-out given their moderating influence on the underlying risk.

Scenario Analysis

Initial investment amount	SGD100,000			
Base Currency	SGD		Initial SGD/AUD spot rate	1.220
Alternate Currency	AUD		Target Conversion Rate	1.215
Tenor	1 month			
Coupon rate	8% p.a.			

The spot rate on the valuation date will determine whether at maturity, you receive (i) a cash settlement amount in the Base Currency (initial investment amount plus the coupon amount) or (ii) a cash settlement amount in the Alternate Currency (initial investment amount plus the coupon amount, converted at the Target Conversion Rate) in the various scenarios set out below.

Scenario 1	SGD weakens against AUD on the valuation date relative to the Target Conversion Rate and the SGD/AUD spot rate is 1.2250. At maturity, the Issuer will pay a cash amount in the base currency comprising the initial investment amount in SGD plus coupon amount in SGD. ie. approximately SGD100,000 + (1/12 x 8% x 1SGD100,000) = SGD100,667.
Scenario 2	SGD strengthens against AUD on the valuation date relative to the Target Conversion Rate and the SGD/AUD spot rate is 1.2050. At maturity, the Issuer will pay a cash amount in the alternate currency comprising the initial investment amount plus coupon amount converted to AUD at the Target Conversion Rate. ie. approximately SGD100,000 + (1/12 x 8% x 100,000) = SGD100,667 ÷ 1.2150 = AUD82,853. *(Assuming the SGD/AUD spot rate remains at 1.2050 on the maturity date, AUD82,853 is equivalent to SGD99,838. This is SGD162* less than the initial investment.)*
Scenario 3 (with Knock-in)	Assuming now that the structure includes a Knock-in, and Knock-in is defined as SGD/AUD spot rate being <u>at or below the knock-in level</u> (75% of the initial AUD/SGD spot rate) at any time during the tenor: a) If no Knock-in has occurred, then at maturity, the Issuer will pay a cash amount in the base currency comprising the initial investment amount in SGD plus coupon amount in SGD. ie. approximately SGD100,000 + (1/12 x 8% x 1SGD100,000) = SGD100,667. (b) If a Knock-in has occurred during the tenor, then Scenarios 1 and 2 above will apply in accordance with the SGD/AUD spot rate on valuation date.

Scenario 4 (with Knock-out)	Assume that the structure includes a Knock-out, and Knock-out is defined as SGD/AUD spot rate being above the knock-out level (110% of the initial SGD/AUD spot rate) at any time during the tenor. (a) If no Knock-out has occurred during the tenor, then Scenarios 1 and 2 above will apply in accordance with the SGD/AUD spot rate on valuation date. (b) If a Knock-out has occurred, then the structured product will terminate early (ie. prior to maturity) and the Issuer will pay a cash amount in the base currency comprising the initial investment amount in SGD plus coupon amount in SGD. ie. approximately SGD100,000 + (1/12 x 8% x 1SGD100,000) = SGD100,667.
Scenario 5 (with Knock-out and Knock-in)	Assuming now that the structure includes both a Knock-in and a Knock-out, (a) If no Knock-out has occurred during the tenor, then Scenario 3 above will apply. (b) If a Knock-out has occurred (whether before or after a Knock-in has occurred), then part (b) of Scenario 4 will apply ie. the structured product will terminate early and the Issuer will pay a cash amount in the base currency comprising the initial investment amount in SGD plus coupon amount in SGD. ie. approximately SGD100,000 + (1/12 x 8% x 1SGD100,000) = SGD100,667.

**** This is strictly for illustration purposes only. The actual profit or shortfall* (compared to your initial investment amount) *is dependent on the SGD/AUD spot rate at the maturity date and it does not represent actual performance of the investment.***

Any scenario analysis included in this document is illustrative and represents hypothetical outcomes only. Such scenario analyses do not represent (i) the actual terms on which the structured product might be purchased or terminated or sold in the secondary market or (ii) the calculation or estimate of an amount that would actually be payable under the terms of the structured product. SCB expressly disclaims any responsibility for (i) the accuracy of the models or estimates used in deriving the scenario analyses, (ii) any errors or omissions in computing or disseminating such scenario analyses, and (iii) any uses to which the scenario analyses are put. SCB is not making any prediction of the actual performance of the structured product or of future market conditions, rates, levels or prices by virtue of providing the scenario analyses.

How does it work?

Each PCI is specifically tailored to your requirements - you may choose the term (minimum of 1 week to a maximum of 1 year), the base currency, relative to the alternative currency and the target conversion rate ("TCR") between the two currencies.

If the structure ever breaches the knock-out level (when spot rate is relatively stronger than the knock-out level at any time during the tenor) it will be early terminated and the initial investment amount will be re-paid along with the coupon prior to maturity. Neither the client nor the Issuer has any further obligations under the structure following such early termination.

If no knock-out has occurred (ie. the structure has not been early terminated) or if no knock-out applies on the valuation date (which is generally one or two days before maturity), the Issuer will pay or deliver one of the following at maturity:

(1) the Issuer will pay the coupon amount and the original investment amount in the base currency if

   (a) the base currency weakens against the alternate currency (ie. the spot rate on valuation date weakens relative to the TCR); or

   (b) if knock-in applies (spot rate is equal to or relatively weaker than the knock-in level at any time during the knock-in observation period) and no knock-in has occurred; or

   (c) if knock-in applies and knock-in has occurred and base currency is equal to or weakens against the alternate currency (ie. the spot rate on valuation date is equal to or weakens relative to the TCR)

(2) the Issuer will pay the coupon amount and the original investment amount in the alternate currency (by converting the entire sum at the TCR) if

   (a) the base currency strengthens against the alternate currency (i.e. the spot rate on valuation date is equal to or strengthens relative to the TCR); or

   (b) if knock-in applies and knock-in has occurred and the base currency strengthens against the alternate currency (ie. the spot rate on valuation date is equal to or strengthens relative to the TCR)

   If this occurs, you will receive the alternate currency at maturity.

Because currency pairs are generally quoted according to widely used market convention spot exchange rates, the triggers (whether to determine the occurrence of a knock-in or knock-out or if the base or alternate currency should be repaid at maturity) are all measured on a relative basis as to whether the spot exchange rate has weakened or strengthened against the relevant levels.

Worst case scenario:

Because this structured product is **NOT A DEPOSIT** and is not protected under any government or private protection or compensation scheme, you may not receive expected coupon payments (if any) and you may lose some or all of your initial investment amount if:

1. The initial investment amount and coupon payment are converted to the alternate currency;
2. The issuer defaults on the structured product or becomes insolvent; or
3. Certain events which subject the structured product to an early termination occur (please refer to the "Early Termination Risk (by Issuer)" section below)

These Structured Investments are Structured Products and they will NOT be a suitable investment for you if:

1. You may need to liquidate your investment for short-term funding requirements.
2. You do not have sufficient knowledge or experience investing in derivatives.
3. You do not want to risk any part of your initial investment amount.

Frequently Asked Questions

Can the structured product be sold, terminated or withdrawn prior to maturity? If so, what are the costs involved?

Structured product are not liquid instruments nor are they transferable nor can they be terminated or withdrawn prior to maturity; however the Issuer may agree to you terminating the structured product (although the Issuer is under no obligation to do so) prior to maturity. In calculating a termination price in these circumstances, the Issuer will factor in the costs of terminating hedging and funding arrangements and other costs relating to the structured product which investors will have to bear and which may result in a termination price that is substantially below the amount of your initial investment amount.

Will 100% of the initial investment amount be returned at maturity?

The structured product is a principal at risk investment. If the base currency weakens against the alternate currency (ie. the spot rate on the valuation date is equal to or weakens relative to the TCR), the initial investment amount plus the coupon amount will be converted to the alternate currency at the TCR at maturity. Where conversion applies, the value of the alternate currency amount you receive at maturity is likely to be below the value of your initial investment. If you convert this alternate currency amount back to the base currency, you may sustain exchange rate losses which may be greater than the coupon earned on your initial investment amount.

If a knock-in applies for a particular structure, this means that the strike (target conversion rate) is contingent to being knocked-in and as such, unless the spot rate is equal to or weaker than the knock-in level at any time during the knock-in observation period (from trade date to valuation date), the strike is not triggered and the initial investment amount and coupon will be repaid at maturity in the base currency.

Will the coupon be paid if the spot rate on valuation date is equal to or weaker relative to the target conversion rate?

Yes. Only payment (of both the initial investment amount and the coupon amount) in the base or alternate currency will depend on whether the spot rate on the valuation date is equal to or weaker relative to the target conversion rate. In either case, the coupon will be paid.

Will the structured product be early autocalled and terminated prior to maturity?

Where there is a knock-out (ie. early autocall) feature, if the spot rate is equal to or stronger than the knock-out level at any time during the during the knock-out observation period (from trade date to valuation date), the product will terminate early (ie. prior to maturity) and the Issuer will pay the initial investment amount plus coupon amount in the base currency.

Trade Terms

Issuer	Standard Chartered Bank operating through one of its branches or subsidiary entities (collectively "SCB").
Product Type	Structured Investment linked to a Reference Asset
Reference Asset Class	FX / Currency
Product Summary	Convertible currency investment
Principal Protection	**None.** Your principal is at risk.
Reference Asset	The exchange rate (spot rate) of the base currency and the alternate currency to which the Structured Investment is linked.
Tenor	The lifetime of the Structured Investment starting from issue date and ending on the scheduled maturity date provided that if early termination occurs, the tenor will be shortened and the Structured Investment will terminate on the relevant early termination date.
Coupon	A fixed coupon payable at maturity.
Target Conversion Rate (TCR)	The exchange rate of the base currency and the alternate currency which is agreed upon issue date.
Settlement at Maturity	**Cash settlement** **Note: If Knock-out applies to a particular structure, the following applies only where no Knock-out has occurred.** (1) On the valuation date, if the base currency weakens against the alternate currency (i.e. the Reference Asset level is weaker relative to the TCR), the initial investment amount and the coupon amount are repaid in the base currency. (2) On the valuation date, if the base currency strengthens against the alternate currency (i.e. the Reference Asset level is equal to or stronger relative to the TCR), the initial investment amount and the coupon amount are converted at the TCR and repaid in the alternate currency. (3) Where Knock-in applies and no Knock-in has occurred, the Issuer will pay the investment amount and the coupon amount in the base currency. (4) Where Knock-in applies and Knock-in has occurred, settlement under (1) or (2) above applies depending on Reference Asset level on valuation date.
Knock-in	For certain structures, a Knock-in may apply. A Knock-in is deemed to have occurred if the Reference Asset level at any time during a knock-in observation period (trade date to valuation date, both inclusive) is equal to or relatively weaker than the knock-in level.
Knock-out	For certain structures, a Knock-out may apply. A Knock-out is deemed to have occurred if the Reference Asset level at any time during a knock-out observation period (trade date to valuation date, both inclusive) is relatively stronger

	than the knock-out level. If Knock-out occurs, the Structured Investment will terminate early (ie. prior to maturity). The Issuer will pay the initial investment amount and coupon amount in the base currency.
Product Documentation	The Issuer's confirmation and applicable terms governing the Structured Investment. These will be made available to you upon request. **Please note that the equivalent terms used in the relevant Product Documentation may differ from those in this document.**
Minimum Investment Size	The minimum value of your initial investment you must purchase in order to enter into this Structured Investment.
Minimum Dealing Size	Subject to the Issuer's consent, the minimum value of the investment you may terminate prior to maturity.
Fees	SCB makes trading-revenue from the position

Key Risks

The risk profile of this structured product may change through its tenor. The risks listed below are representative of the key risks however this document and the Product Documentation cannot disclose all possible risks relating to the structured product.

Market Risk	The value of the structured product is based on various market factors such as the price or level of the Reference Assets, the level of interest rates, volatility and time remaining until maturity. Structured products are volatile instruments and may be subject to considerable fluctuations in value and other inherent risks associated with financial markets relevant to the Reference Assets. The value of the structured product may fall as rapidly as it may rise. Past performance is not a reliable indicator of future performance.
Reference Asset Risk	The payments (if any) you receive in relation to the structured product are dependent on the performance of the Reference Assets during the investment period and/or on certain valuation date(s), so it is important that the Reference Assets are capable of being properly valued. Accordingly, when proper valuation of the Reference Assets is prevented, the valuation period and/or valuation date(s) may be postponed to a subsequent period and/or day. In addition, you have no claim, interest or rights of ownership in relation to the Reference Assets and investing in the structured product is not the same as a direct investment in the Reference Assets. The market value, early repurchase or early termination price or maturity value of the structured product may not reflect movements in the price or level of the Reference Assets. Finally, there is no assurance that the performance of the Reference Assets will be at the desired levels in order to produce returns corresponding to the particular investment strategy applicable to the structured product.
Principal at Risk	This structured product is not principal protected and your principal is at risk. You may lose some or substantially all, of your initial investment amount. There is no assurance from SCB (or otherwise) that at maturity, you will receive repayment of the initial investment amount. In fact, you are exposed to the full downside risk of the alternate currency if certain conditions are satisfied at maturity. You must be prepared to receive an amount close at maturity, which, in the worst case scenario, could be worthless.
Under-performance Risk	**This is not a deposit.** There is no assurance from SCB (or otherwise) that at maturity, the return on the structured product will be equal to or greater than any potential return that you may have earned on a direct investment in the Reference Asset or in a bank deposit or non-structured fixed coupon bond. As the payment mechanics and terms of the structured product are not variable, you should note that even if your view of the direction of the Reference Asset's performance is correct, you will not gain more than the amount specified under such payment mechanics and terms.
Credit Risk	You assume the full credit risk of SCB. The structured product constitutes direct, unsecured and unsubordinated general obligations of SCB. This means that you are relying on SCB to meet its payment obligations under the structured product. Should SCB become insolvent or default on its obligations (including payment obligations) or fail in any other way, you may not receive any payments due to you under the terms of the structured product, not even your initial investment amount. A credit rating is not a recommendation or assurance as to SCB's creditworthiness or the risks, returns or suitability of the structured product.
Events Adjustment Risk	The Issuer or Calculation Agent (where applicable) has certain rights to exercise its own discretion to make adjustments to the terms of the structured product where it determines that certain adjustment or extraordinary events have occurred (eg. events which have a diluting effect or concentrative effect on the theoretical value of the Reference Asset, market disruption, trading suspension, regulation in the relevant industries, insolvency, changes in taxation law and other economic, political or social conditions) and the exercise of such rights may have an unforeseen adverse impact on the payments you receive in relation to the structured product.

Liquidity Risk	Structured products are not liquid instruments. You must be prepared to hold the structured product until the scheduled maturity as it is not transferable and there is no market for this structured product which means that you will not be able to sell and may not be able to terminate this structured product or make any withdrawals before its maturity.
Early Redemption Risk	Prior to maturity, the Issuer may agree to you terminating the structured product but the Issuer is under no obligation to do so. Early termination is at the sole and absolute discretion of the Issuer and will incur a cost that may result in the loss of substantially all or part of your initial investment amount. In calculating a termination price in these circumstances, the Issuer will factor in the costs of terminating hedging and funding arrangements and other costs relating to the structured product which may result in a termination price that is substantially below the amount of your initial investment amount.
Early Termination Risk	The Issuer has the sole and absolute discretion to early terminate the structured product under a variety of circumstances set out in the relevant offering documents such as for extraordinary reasons, illegality, impossibility, force majeure or the occurrence of a material hedging or disruption event. For example, if the Issuer’s performance under the structured product has become illegal or impractical in that it is no longer legal or practical for the Issuer to maintain its hedging arrangements under the structured product, the Issuer may exercise its discretion to early terminate the structured product. In calculating the sum payable to you, the Issuer will factor in the costs of terminating hedging and funding arrangements relating to the structured product. This may reduce the early termination amount payable to you and may result in the loss of all or part of your initial investment amount. **Please refer to the relevant Product Documentation for more detail on what events may lead to an early termination and what payment amount you would receive in the event of an early termination by the Issuer.**
Reinvestment Risk	Where the structured product is terminated prior to maturity for whatever reason, you may not be able to reinvest the amounts received at the same rate or for the same return or linked to the same Reference Assets at that point in time.
Exchange Rate Risk	Where the structured product is denominated in a non-local currency, you face the risk of exchange rate fluctuations and controls (where applicable) that may (i) affect the applicable exchange rate and result in the receipt of reduced coupon(s), cash settlement amounts and/or a loss of principal when converted to your local currency and (ii) make it impossible or impracticable for the Issuer to pay you in the original settlement currency.
Conflicts of interest	You should understand and accept that SCB plays a variety of roles in relation to the structured product, including acting as Issuer and Calculation Agent. SCB has various discretionary powers (for example, the power to terminate or adjust terms of the structured product in certain circumstances) which may have a material impact on the value and performance of the structured product. In performing these duties, the economic interests of SCB are potentially adverse to your interests as an investor in the structured product. SCB may have banking or other commercial relationships with the issuer or sponsor of the Reference Assets and may from time to time engage in transactions involving the Reference Assets (or derivatives or other products linked to the Reference Assets) for their proprietary and other accounts. Such trading may influence the value of the Reference Assets and therefore the value of the structured product in a manner that is potentially adverse to your interests as an investor in the structured product.
Interest Rate Risk	The market value of the structured product is exposed to the movement of interest rates during the tenor of the structured product and whenever it is terminated or sold prior to maturity. As interest rates move upwards, the value of the structured product will generally fall. Moreover, the longer the tenor of the structured product, the more sensitive it will be to interest rate changes.

Tax Risk	SCB recommends that you take independent tax advice before committing to purchase this structured product. SCB does not provide tax advice and therefore you have full responsibility for any tax implication of investing in this product. Any tax treatment depends on your individual circumstances and may be subject to change in the future.
Settlement Risk	Due to the fact that payments of cash settlement amounts may be processed by clearing system(s), custodians and other third parties across different time zones, any payment may not be immediately available on the relevant dates during local business hours.

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A structured product is not a protected deposit for the purposes of Brunei Darussalam's Deposit Protection Order 2011.

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