

Important Facts



Range Coupon Currency Linked Structured Investment Product ("SIP")

DBS Bank (Hong Kong) Limited
星展銀行(香港)有限公司

Aug 2024

This is a structured product which is NOT protected by the Deposit Protection Scheme in Hong Kong.

This product is NOT principal protected.

The contents of this statement have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution before investing in this product. **This statement is a part of the offering documents for this product. You should not invest in this product based on this statement alone.** If you are in any doubt, you should obtain independent professional advice.

If English is not your preferred language, you may request for the Chinese version of this statement from us. 倘若英文並非閣下屬意的語言，閣下可向本行索取本概要的中文版本。

This is a structured product involving derivatives. The investment decision is yours but you should not invest in the product unless DBS Bank (Hong Kong) Limited (the "Bank") has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.

Product risk rating

Range Coupon Currency Linked Structured Investment Product is risk rated with Product Risk Level at P3 and is suitable for investors whose risk profile is C3 or above. Please refer to the Financial Needs Analysis for description of your risk profile.

Quick facts

Bank:	DBS Bank (Hong Kong) Limited (星展銀行(香港)有限公司) (incorporated in 1953 in the Hong Kong Special Administrative Region of the People's Republic of China), including its successors and assigns
Product Type:	Currency-linked structured investment product
Minimum Principal Amount:	HKD 100,000 or its equivalent
Tenor:	In each case, the tenor as stated in the SIP Order Form and SIP Confirmation.
Investment Currency:	One of the following currencies: AUD, CAD, CHF, EUR, GBP, HKD, JPY, NZD, SGD or USD to be selected by the investor
Linked Currency:	In respect of the selected Investment Currency, one of the currencies referred to as a Linked Currency in the Currency Pairs set out in Schedule 1 or Schedule 2 of the Term Sheet, as agreed in writing on the SIP Order Form and SIP Confirmation
Settlement Currency:	The Investment Currency or the Linked Currency
Interest Rate:	(a) High Interest Rate if Barrier Event has not occurred; or (b) Low Interest Rate if Barrier Event has occurred. Where "High Interest Rate" means the per annum percentage rate as agreed in writing on the SIP Order Form and SIP Confirmation. "Low Interest Rate" means the per annum percentage rate as agreed in writing on the SIP Order Form and SIP Confirmation.
Interest Amount:	An amount in respect of the Interest Period determined as follows: $\text{Principal Amount} \times \text{Interest Rate} \times \text{Day Count Fraction}$ In respect of each Currency Pair set out in Schedule 1 or Schedule 2, the Interest Amount shall be payable in the Investment Currency.
Final Redemption Amount:	The Principal Amount payable (a) in Investment Currency if Conversion Event One or Conversion Event Two (as the case may be) has not occurred;

or (b) in Linked Currency converted at the Conversion Rate if Conversion Event One or in Conversion Event Two (as the case may be) has occurred.

Final Rate of Exchange:

In respect of any Currency Pair set out in Schedule 1, the amount of Investment Currency that can be purchased with one unit of Linked Currency, for settlement in two Business Days as published by Bloomberg and which appears on Bloomberg FX Fixings page BFIX under caption "MID" at approximately the Determination Time on the Determination Date. If such rate is not available at or about the Determination Time on the relevant Determination Date, then such rate shall be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

In respect of any Currency Pair set out in Schedule 2, the Spot Rate is a rate expressed as the amount of Linked Currency that can be purchased with one unit of Investment Currency, for settlement in two Business Days as published by Bloomberg and which appears on Bloomberg FX Fixings page BFIX under caption "MID" at approximately the Determination Time on the Determination Date. If such rate is not available at or about the Determination Time on the relevant Determination Date, then such rate shall be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

Conversion Event One:

In respect of a Currency Pair set out in Schedule 1 to the Term Sheet, Conversion Event One has occurred if the Investment Currency has strengthened against the Linked Currency to such extent that the Final Rate of Exchange is equal to or less than the Conversion Rate. For the avoidance of doubt, a Conversion Event One shall not apply to any Currency Pairs set out in Schedule 2 to the Term Sheet.

Conversion Event Two:

In respect of a Currency Pair set out in Schedule 2 to the Term Sheet, Conversion Event Two has occurred if the Investment Currency has strengthened against the Linked Currency to such extent that the Final Rate of Exchange is equal to or greater than the Conversion Rate. For the avoidance of doubt, a Conversion Event Two shall not apply to any Currency Pairs set out in Schedule 1 to the Term Sheet.

Conversion Rate:

In respect of a Currency Pair set out in Schedule 1, a rate expressed as the amount of Investment Currency that can be purchased with one unit of Linked Currency, as stated under the caption "**Conversion Rate**" in the SIP Order Form and the SIP Confirmation.

In respect of a Currency Pair set out in Schedule 2, a rate expressed as the amount of Linked Currency that can be purchased with one unit of Investment Currency, as stated under the caption "**Conversion Rate**" in the SIP Order Form and the SIP Confirmation.

Upper Barrier Rate:

In respect of a Currency Pair set out in Schedule 1, a rate expressed as the amount of Investment Currency that can be purchased with one unit of Linked Currency, as stated under the caption "**Upper Barrier Rate**" in the SIP Order Form and the SIP Confirmation.

In respect of a Currency Pair set out in Schedule 2, a rate expressed as the amount of Linked Currency that can be purchased with one unit of Investment Currency, as stated under the caption "**Upper Barrier Rate**" in the SIP Order Form and the SIP Confirmation.

Lower Barrier Rate:

In respect of a Currency Pair set out in Schedule 1, a rate expressed as the amount of Investment Currency that can be purchased with one unit of Linked Currency, as stated under the caption "**Lower Barrier Rate**" in the SIP Order Form and the SIP Confirmation.

In respect of a Currency Pair set out in Schedule 2, a rate expressed as the amount of Linked Currency that can be purchased with one unit of Investment Currency, as stated under the caption "**Lower Barrier Rate**" in the SIP Order Form and the SIP Confirmation.

Barrier Event:

A Barrier Event shall occur when the Spot Rate is equal to or greater than the Upper Barrier Rate or is equal to or lower than the Lower Barrier Rate at any time during the Monitoring Period.

Monitoring Period:

The period from (and including) the Execution Time to (and including) the Determination Time on the Determination Date.

Execution Time:	The time on the Trade Date which the SIP is executed by the Bank, as stated in the SIP Confirmation.
Determination Time:	2:00 p.m., Hong Kong time
Determination Date:	The date as stated in the SIP Order Form and the SIP Confirmation.
Currency Pair:	One of the currency pairs as selected by the investor as set out in either Schedule 1 or Schedule 2 to the Term Sheet.
Spot Rate:	<p>In respect of any Currency Pair set out in Schedule 1, the Spot Rate is a rate expressed as the amount of Investment Currency that can be purchased with one unit of Linked Currency that is based on the price for one or more actual foreign exchange transactions in the Spot Market involving such Currency Pair (or cross-rates constituting such Currency Pair, if applicable) for settlement in accordance with the convention for such Currency Pair, as determined at the relevant time on the relevant date in good faith and in a commercially reasonable manner by the Calculation Agent.</p> <p>In respect of any Currency Pair set out in Schedule 2, the Spot Rate is a rate expressed as the amount of Linked Currency that can be purchased with one unit of Investment Currency that is based on the price for one or more actual foreign exchange transactions in the Spot Market involving such Currency Pair (or cross-rates constituting such Currency Pair, if applicable) for settlement in accordance with the convention for such Currency Pair, as determined at the relevant time on the relevant date in good faith and in a commercially reasonable manner by the Calculation Agent.</p>
Calculation Agent:	DBS Bank (Hong Kong) Limited
Day Count Fraction:	<p>a) Actual number of days in the relevant Interest Period divided by 365 if the Investment Currency is GBP, HKD or SGD; or</p> <p>b) Actual number of days in the relevant Interest Period divided by 360 if the Investment Currency is AUD, CAD, CHF, EUR, JPY, NZD or USD</p>
Interest Period:	A period beginning from (and including) the Investment Value Date to (but excluding) the Maturity Date
Interest Payment Date:	Maturity Date (if applicable)
100% Principal received at maturity:	No
Callable by the Bank:	No
Early termination right by the Customer:	No
Embedded derivatives:	Yes, the product is embedded with FX options sold and bought by the investor in respect of the chosen Currency Pair.
Maximum potential gain:	The maximum potential gain is limited. Only when a Barrier Event and Conversion Event have not occurred, then the Customer will receive the High Interest Rate under this SIP.
Maximum potential loss:	100% of the Principal Amount.

What is this product and how does it work?

- Range Coupon Currency Linked SIP is a structured investment product involving a currency option. By investing in this SIP, investors will receive an interest return and / or take delivery of the Linked Currency at the Conversion Rate.
- In a SIP, the investor selects an Investment Currency and a Linked Currency and agrees with the Bank on a Conversion Rate, an Upper Barrier Rate, a Lower Barrier Rate and a Tenor.
- The Customer will receive, on the Maturity Date, interest which accrues at the High Interest Rate p.a. in Investment Currency (the original currency of the Customer's investment) if Barrier Event has not occurred.
- The Customer will receive, on the Maturity Date, interest which accrues at the Low Interest Rate p.a. in Investment Currency (the original currency of the Customer's investment) if Barrier Event has occurred.
- The Customer will receive, on the Maturity Date, the Final Redemption Amount in Investment Currency (the original currency of the Customer's investment) if Conversion Event One or Conversion Event Two (as the case may be) has not occurred.
- However, if Conversion Event One or Conversion Event Two (as the case may be) has occurred, on the Maturity

Date, the Customer will receive the Final Redemption Amount in the Linked Currency converted at the Conversion Rate. In this case, the Customer will incur an exchange loss.

What are the key risks?

- **Not a traditional deposit / time deposit** – The SIP is a form of structured product that carries risks not normally associated with ordinary bank deposits. This SIP is NOT equivalent to a time deposit. The Customer should therefore not treat the SIP as a substitute for ordinary savings or time deposits. The SIP is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- **Derivatives risk** – The SIP is embedded with FX options. Option transactions involve risks, especially when selling an option. No premium will be received in respect of this SIP, you may sustain a loss and your loss could be substantial.
- **Return is capped / Limited potential gain** – The maximum potential gain is limited. Only when a Barrier Event and Conversion Event have not occurred, then the Customer will receive the maximum potential gain under this SIP.
- **Maximum potential loss** – The SIP is not principal protected, the Customer could lose his entire Principal Amount.
- **Not the same as buying the Linked Currency** – Investing in the SIP is not the same as buying the Linked Currency directly.
- **Principal amount received upon redemption**
 - Depending on performance of the underlying Currency Pair, the Customer will receive the Final Redemption Amount in either the Investment Currency or the Linked Currency on the Maturity Date.
 - In case of receiving the Linked Currency, the Customer must be prepared to take delivery of the Linked Currency at the Conversion Rate, and in which case the Customer will incur an exchange loss in the SIP.
 - In the worst case scenario, the exchange loss the Customer incurs in the SIP could be substantial and he may lose the original Principal Amount.
- **Market risk** – The return of the SIP is linked to the exchange rate of the Investment Currency against the Linked Currency. Movements in exchange rates can be unpredictable, sudden and drastic, and affected by complex political and economic factors.
- **Currency risk** – Where the Customer has converted amounts from another currency (including your home currency) into the Investment Currency in order to make the investment in the SIP, the Customer should bear in mind the risk of exchange rate fluctuations that may cause a loss on conversion of the Investment Currency (if the Bank pays you the Investment Currency at maturity) or the Linked Currency (if the Bank pays you the Linked Currency at maturity) back into such other currency. You should note that such potential loss from the product could offset (or even exceed) the potential gain if the Investment Currency or the Linked Currency depreciates against the currency you converted from (including your home currency).
- **Liquidity risk** – The SIP is a commitment by the Customer for the tenor as stated under the caption “Tenor” in the SIP Order Form and SIP Confirmation. No early uplift, early withdrawal or early termination by the Customer is permitted. The Customer has to maintain the SIP with the Bank up to the Maturity Date.
- **Credit risk** – The SIP is not secured by any collateral. The Customer is taking on the credit risk of the Bank. In the worst case scenario, where the Bank is insolvent or defaults on its payment obligations under the SIP, the Customer will receive no interest payment and lose his original investment amount.

The above are the key risk factors associated with the SIP but are not, and are not intended to be, a complete list of all risks and considerations relevant to the SIP or your decision to invest in the SIP. Prospective investors should also see the section headed “Risk Associated with the SIP” in the Term Sheet, together with all other information in the Offering Documents before making any investment decision.

What are the key features?

1. **Currency-linked SIP denominated in the Investment Currency**
 - The SIP is a currency linked structured product. The Final Redemption Amount may be payable in Investment Currency or Linked Currency, depending on performance of the Investment Currency against the Linked Currency relative to the Conversion Rate.
 - If Conversion Event One or Conversion Event Two (as applicable) has not occurred, the Customer will receive, on the Maturity Date, the Final Redemption Amount in Investment Currency (the original currency of the Customer’s investment).
 - However, if Conversion Event One or Conversion Event Two (as applicable) has occurred, the Customer will receive, on the Maturity Date, the Final Redemption Amount in the Linked Currency converted at the Conversion Rate.
2. **Tenor**
 - The tenor of the SIP is stated under the caption “Tenor” in the SIP Order Form and SIP Confirmation.

3. Return

- The Interest Amount will be payable in Investment Currency.
- The Interest Rate of the SIP under the caption “**High Interest Rate**” and “**Low Interest Rate**” is stated in the SIP Order Form and SIP Confirmation.

Scenario analysis

All figures below are hypothetical and are for illustration purposes only. The illustrative examples do not reflect a complete analysis of all possible potential return or loss scenarios. They are not indicative of the actual or future performance of any Linked Currency. You should not rely on these illustrative examples when making an investment decision.

Assume that on a Trade Date, AUD/USD was trading at 0.9500 and that the following terms apply to the relevant SIP:

Trade Date:	14-Nov-20XX
Investment Value Date:	16-Nov-20XX
Maturity Date:	18-Dec-20XX
Tenor:	36 calendar days (commencing from and including the Investment Value Date to but excluding the Maturity Date).
Investment Currency:	AUD
Linked Currency:	USD
AUD/USD Spot Rate:	0.9500
AUD/USD Conversion Rate:	0.9800
Upper Barrier Rate:	0.9800
Lower Barrier Rate:	0.9300
High Interest Rate (p.a.):	5.00% p.a.
Low Interest Rate (p.a.):	0.05% p.a.
Investment Amount:	AUD 100,000.00

Scenario 1 - Conversion Event Two has not occurred – AUD has not strengthened against USD to a level equal to or greater than the Conversion Rate at the Determination Time on the Determination Date
AND

The Barrier Event has not occurred – AUD/USD has never traded equal to or greater than the Upper Barrier Rate AND has never traded equal to or less than the Lower Barrier Rate at any time during the Monitoring Period

Assumptions:

- Barrier Event has not occurred; and
- Final Rate of Exchange in respect of the Currency Pair (AUD and USD): **0.9600**

As Conversion Event Two has not occurred (i.e. Final Rate of Exchange < Conversion Rate):

Customer receives 100% Investment Amount in AUD

As Barrier Event has not occurred (i.e. AUD/USD Spot Rate has never traded equal to or greater than the Upper Barrier Rate AND has never traded equal to or less than Lower Barrier Rate at any time during the Monitoring Period):

Customer receives interest at the High Interest Rate, being 5.00% p.a. in AUD

Customer will receive: AUD 100,000.00 + AUD (100,000.00 x 5.00% x 36 / 360)
= AUD 100,500.00

Scenario 2 - Conversion Event Two has occurred – AUD has strengthened against USD to a level equal to or greater than the Conversion Rate at the Determination Time on the Determination Date
AND

The Barrier Event has occurred – AUD/USD has traded equal to or greater than the Upper Barrier Rate OR has traded equal to or less than the Lower Barrier Rate at any time during the Monitoring Period

Assumptions:

- i) Barrier Event has occurred; and
- ii) Final Rate of Exchange in respect of the Currency Pair (AUD and USD): **1.0600**

As Conversion Event Two has occurred (i.e. Final Rate of Exchange \geq Conversion Rate):
Customer receives 100% Investment Amount in Linked Currency converted at the Conversion Rate
As Barrier Event has occurred (i.e. AUD/USD Spot Rate has traded equal to or greater than the Upper Barrier Rate OR has traded equal to or less than Lower Barrier Rate at any time during the Monitoring Period):
Customer receives interest at the Low Interest Rate, being 0.05% p.a. in AUD

Customer will receive: USD (100,000.00 x 0.9800) + AUD (100,000.00 x 0.05% x 36 / 360)
= USD 98,000.00 (which is equivalent to AUD 92,452.83 if converted into AUD using the Final Rate of Exchange) + AUD 5.00

Customer will have an unrealized loss of AUD 7,542.17

Scenario 3 - Conversion Event Two has not occurred – AUD has not strengthened against USD to a level equal to or greater than the Conversion Rate at the Determination Time on the Determination Date**AND****The Barrier Event has occurred – AUD/USD has traded equal to or greater than the Upper Barrier Rate OR has traded equal to or less than the Lower Barrier Rate at any time during the Monitoring Period****Assumptions:**

- i) Barrier Event has occurred; and
- ii) Final Rate of Exchange in respect of the Currency Pair (AUD and USD): **0.9600**

As Conversion Event Two has not occurred (i.e. Final Rate of Exchange $<$ Conversion Rate):
Customer receives 100% Investment Amount in AUD
As Barrier Event has occurred (i.e. AUD/USD Spot Rate has traded equal to or greater than the Upper Barrier Rate OR has traded equal to or less than Lower Barrier Rate at any time during the Monitoring Period):
Customer receives interest at the Low Interest Rate, being 0.05% p.a. in AUD

Customer will receive: AUD 100,000.00 + AUD (100,000.00 x 0.05% x 36 / 360)
= AUD 100,005.00

Scenario 4 - Conversion Event Two has occurred – AUD has strengthened substantially against USD to a level greater than the Conversion Rate at the Determination Time on the Determination Date**AND****The Barrier Event has occurred – AUD/USD has traded equal to or greater than the Upper Barrier Rate OR has traded equal to or less than the Lower Barrier Rate at any time during the Monitoring Period****Assumptions:**

- i) Barrier Event has occurred; and
- ii) Final Rate of Exchange in respect of the Currency Pair (AUD and USD): **100.0000**

As Conversion Event Two has occurred (i.e. Final Rate of Exchange \geq Conversion Rate) and the Final Rate of Exchange is greater than the Conversion Rate:
Customer receives 100% Investment Amount in Linked Currency converted at the Conversion Rate
As Barrier Event has occurred (i.e. AUD/USD Spot Rate has traded equal to or greater than the Upper Barrier Rate OR has traded equal to or less than Lower Barrier Rate at any time during the Monitoring Period):
Customer receives interest at the Low Interest Rate, being 0.05% p.a. in AUD

Customer will receive: USD (100,000.00 x 0.9800) + AUD (100,000.00 x 0.05% x 36 / 360)
= USD 98,000.00 (which is equivalent to AUD 980.00 if converted into AUD using the Final Rate of Exchange)
+ AUD 5.00

Customer will suffer an unrealized loss of AUD 99,015.00

Scenario 5 - The Bank becomes insolvent or defaults on its obligations

Assuming that the Bank becomes insolvent during the Tenor of the SIP or defaults on its obligations under the SIP, the Customer can only claim as its unsecured creditor. The Customer may get nothing back and suffer a total loss of his Principal Amount.

How can you buy this product?

- Please contact the Bank to enquire about the SIP. You can visit any of our branches, call our Customer Service Hotline on 2290 8888 (press 3 after language selection) to inquire about the SIP.
- To place an order for the SIP, you must complete the SIP Order Form for the Bank (by submitting a completed SIP Order Form to the Bank or completing the SIP Order Form over the phone with the Bank). The amount you wish to place in the SIP must be deposited with the Bank on or before the submission of the SIP Order Form.

Fees and charges

No subscription fees or other upfront charges - The Bank's fees are shown on the Bank Charges Schedule available at branches of the Bank. Although there are no explicit charges, any fees and charges incurred by the Bank, whether to enter into underlying investments or hedging arrangements or for operational or administrative purposes and profit margins, if any, are already inherently contained in and subsumed into the calculation of the interest rate and other variables under the SIP.

Pre-Investment Cooling-off Period for retail customers

Pre-Investment Cooling-off Period (PICOP) is applicable to each particular dealing of this product if you are one of the following retail customer types:

- 1) An elderly customer aged 65 or above, and you are a first-time buyer of the SIP, AND
 - a) Your asset concentration is 20% or above; or
 - b) your asset concentration is below 20% AND you do not choose to opt out from the PICOP arrangement; or
- 2) A non-elderly customer who is a first-time buyer of the SIP AND your asset concentration is 20% or above.

For the purpose of determining whether PICOP is applicable, asset concentration refers to the percentage of total net worth (excluding real estate properties) to be invested in this product.

Can the Bank adjust the terms or early terminate this product?

Under the Applicable Account Terms and Conditions (as defined below), the Bank may, in certain circumstances, amend, suspend or terminate the SIP. Such circumstances include, without limitation, the occurrence of force majeure events, illegality, the occurrence of an event of default committed by the Customer, or upon any insolvency or bankruptcy proceedings being commenced against the Customer. For details, please refer to the Applicable Account Terms and Conditions.

Offering Documents for this product

The following documents for the SIP ("**Offering Documents**") contain detailed information about the terms of the SIP. You should read and understand all of the Offering Documents before deciding whether to invest in the SIP.

This **Important Facts Statement** which highlights the key features and key risks of the SIP.

The "**Term Sheet**" means the Term Sheet of the SIP setting out the principal terms and conditions of the SIP.

The "**Applicable Account Terms and Conditions**" means the Investment Products Consolidated Terms and Conditions or Terms and Conditions for Accounts under Wealth Management Investment Portfolio (Wealth Management Accounts) (as appropriate, depending on through which account the Customer trades the SIP), a copy of which has been provided to the Customer before or when the Customer opened the SIP account with the Bank.

You should note that the SIP will be governed by the SIP Documents. In the event of any inconsistency, the inconsistency will be resolved in favour of the document ranking higher in the following order of priority: (a) the SIP Confirmation, (b) the SIP Order Form, (c) the Term Sheet, (d) the Applicable Account Terms and Conditions and (e) this Important Facts Statement.

Terms used in this Important Facts Statement but not otherwise defined herein shall have the meaning provided to it in the other Offering Documents.

IMPORTANT LEGAL INFORMATION

The information provided in this Important Facts Statement does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. The Bank is acting on a principal-to-principal basis and not acting as your advisor or agent or in any fiduciary capacity to you. This Important Facts Statement does not purport to identify all the risks (direct or indirect) or other material considerations which may be associated with entering into the transaction by a specific person. Prior to entering into the transaction, you should have determined (after consultation with your own advisors if you deem fit), without reliance upon the Bank or its affiliates, the economic risks and merits, as well as the legal, tax, accounting or other material characterisations and consequences of the transaction and that you are able to assume these risks.