Standard Chartered

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Contingent convertible securities

WARNING: This product is not intended to be sold and should not be sold to retail clients in the European Economic Area (EEA) (each as defined in the Policy Statement on the Restrictions on the Retail Distribution of Regulatory Capital Instruments (Feedback to CP14/23 and Final Rules) ("Policy Statement"), read together with the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 ("Instrument", and together with the Policy Statement, the "Permanent Marketing Restrictions"), which were published by the United Kingdom's Financial Conduct Authority in June 2015), other than in circumstances that do not give rise to a contravention of the Permanent Marketing Restrictions.

Product Features

- **Contingent convertible securities are complex financial instruments and are not suitable for inexperienced investors. If you do not understand how contingent convertible securities work and/or if you are not prepared to accept any of the risks highlighted in this document and/or the relevant Issuer's base prospectus, you must not invest in the relevant contingent convertible security.**

- A contingent convertible security is a hybrid security. Depending on the terms of the relevant contingent convertible security, the Issuer may, upon the occurrence of certain trigger events, elect for the security to be (i) converted into underlying shares of the Issuer, (ii) temporarily written down or (as the case may be) (iii) permanently written down. Examples of trigger events for contingent convertible securities include (a) a breach in the capital adequacy ratio or other quantitative measure relating to the Issuer which might affect the financial viability of the Issuer or (as the case may be) (b) the occurrence of certain non-viability events with respect to the Issuer.

- Where an Issuer elects to convert the contingent convertible securities into shares, the number of shares received by the investor will be determined by a conversion ratio and price calculated based on certain variable components such as a reference market price, any predetermined minimum price, nominal value of the underlying shares of the Issuer. The specific variable components and calculation methodology will be set out in the Product Documentation (see below for more information). Please refer to the specific terms set out in the Product Documentation for information on what constitutes a trigger event and how the conversion ratio and price will be determined in such events.

- Contingent convertible securities are a principal-at-risk product. You may lose some or all of your initial investment amount.

- Contingent convertible securities do not offer a guaranteed coupon. Coupon payments will be subject to no trigger event/non-viability event taking place, and in some cases, the terms of the relevant contingent convertible security may permit the Issuer to pay or not pay coupons/dividends at its discretion.

WARNING: This investment is not a deposit. Do not invest in the contingent convertible security 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 contingent convertible security, 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 (but NOT ALL) of the contingent convertible security 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 contingent convertible security, including meanings of the capitalised terms not defined here. The terms of any transaction will be recorded in a post-trade confirmation notice that Standard Chartered Bank (operating through one of its branches or subsidiary entities) sends to you. The contents of this document have not been reviewed by any regulatory authority. The use of a particular term in relation to a contingent convertible security by one issuer may not be exactly the same as the use of the same term by a different issuer even if the structure of the contingent convertible security in relation to which it is used may be similar or virtually identical. There may be seemingly minor differences in the definitions of such terms for different issuers which may result in significant differences in investment calculations and outcomes. As such, you should refer to the relevant Product Documentation for each issuer in order to ascertain the correct interpretation for such terms. If English is not your preferred language, please check with your Relationship Manager if this document and other Product Documentation relating to this contingent convertible security are available in your preferred language. Some Product 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 contingent convertible security. Any translations of Product Documentation are provided to you FOR REFERENCE ONLY, and where there is any inconsistency between a translation and the original English version, the ENGLISH VERSION WILL PREVAIL. Where your Relationship Manager provides you with a copy of a translation of any Product Documentation, please ensure that you also receive a copy of the original English version.

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- Contingent convertible securities have both debt and equity-like features:
  - Debt-like features:
    - Prior to the conversion of the contingent convertible security into underlying shares, investors may (where applicable) receive stated coupons/dividends, similar to bondholders. In such circumstances, coupons/dividends are usually (but not always) fixed for a period of time and may be followed by a variable coupon. In some cases, the terms of a contingent convertible security may permit the Issuer to pay or not pay coupons/dividends at its discretion.
    - Prior to the conversion of the contingent convertible security into underlying shares, investors do not have any voting rights. Only when the contingent convertible securities are converted will the investors become shareholders and acquire voting rights to the underlying shares they hold from the conversion.
    - If the Issuer issues additional shares, holders of contingent convertible securities will not (unless a trigger event occurs and they are converted into underlying shares) be diluted. Similar to bonds, the face value of the contingent convertible security will remain the same. In the event that the contingent convertible securities are converted, investors will have limited protection against dilution since the conversion ratio and price are not fixed at the outset.
  - Equity-like features:
    - Contingent convertible securities are subordinated to debt.
    - Some contingent convertible securities (i.e. those which are also perpetual securities) have no maturity date.
    - This product may be sensitive to changes in the market price of the underlying shares of the Issuer, changes in the credit spread of the Issuer as well as to changes in market interest rates. In the case of contingent convertible securities which are also perpetual securities, these securities would face even higher interest rate sensitivity since they would be priced to perpetuity.
- The above only describe commonly found characteristics of contingent convertible securities generally. Each contingent convertible security is subject to the Issuer’s terms which vary according to the specific Issuer and/or tranche, for example:
  - some contingent convertible securities have no maturity date and hence, are also perpetual securities;
  - a contingent convertible security may be callable at the option of the Issuer; or
  - the Issuer may reserve the right to alternative methods of payment of coupons or dividends (e.g. by issuing shares or other alternative qualifying securities).

This document must be read together with the Product Documentation, which contains detailed information relating to the contingent convertible securities (including the applicable definitions and terms and conditions).

Investor’s profile

- You are not a retail client in the European Economic Area (each as defined in the Permanent Marketing Restrictions). For the avoidance of doubt, you are not permitted to purchase the contingent convertible securities if you are a retail client in the European Economic Area, other than in circumstances that do not give rise to a contravention of the Permanent Marketing Restrictions.

- An investor who wishes to invest in a fixed income instrument with a relatively higher yield compared to senior debt. At the same time, an investor who is willing to accept that:

  - investing in contingent convertible securities bears higher risk than investing in debt. This is due to the fact that contingent convertible securities are subordinated to (i.e. rank lower than) debt and are senior only to (i.e. rank higher than) common shares. This means that investors in the contingent convertible security will have a lower payment priority than investors of bonds and other senior fixed income instruments in the event of the liquidation or bankruptcy of the Issuer;

  - upon the occurrence of a trigger event, the Issuer may (depending on the terms of the Product Documentation) elect to write down some or all of the contingent convertible securities in issue on a temporary or (as the case may be) permanent basis;

  - upon the occurrence of a trigger event, the Issuer may elect to convert the contingent convertible security into shares and it is very likely that the market value of such shares may deteriorate further after conversion as a result of the trigger event;

  - some contingent convertible securities may not have a maturity date and may in fact be perpetual securities. In such cases, the investor may only be able to monetise such contingent convertible securities (i) by selling them on the secondary market, (ii) if the contingent convertible securities are early redeemed or (iii) if a trigger event occurs; and

  - if the contingent convertible securities are either (a) converted by the Issuer into shares that are subsequently sold in the secondary market or (b) written down by the Issuer, the investor should only expect that he may only receive a fraction of his initial investment amount (if any).

Investor’s view

- Contingent convertible securities will NOT be a suitable investment for you if:

  - you do not want to risk losing any part of your initial investment amount;

  - you expect a guaranteed return;

  - you may need to liquidate your investment for short-term funding requirements;

  - you are not willing to accept physical delivery of the shares of the Issuer in the event that a trigger event occurs;

  - you are not willing to accept the risk that a trigger event may occur, and that the contingent convertible securities may be (i) converted into shares of the Issuer which are likely to depreciate in value, (ii) temporarily written down in value or (as the case may be) (iii) permanently written down in value;

  - you are not willing to accept the risk that the Issuer may exercise its right to early redeem the contingent convertible securities; or

  - (where the contingent convertible securities are also perpetual securities) you are not comfortable with an investment that does not have a fixed maturity date.

- The contingent convertible securities MAY be a suitable investment for you if:
  - you are willing to accept the risk of a trigger event occurring in exchange for a potentially higher coupon/yield;
  - you have sufficient liquidity and have the capacity to risk losing some or all of your initial investment amount; and
  - you are willing, in the event that a trigger event occurs, to accept physical delivery of shares of the Issuer or, as the case may be, receive a reduced principal amount (if any) if the Issuer elects to write-down the principal amount of the contingent convertible securities.

How does it work?

Purchase price

An investor may either buy a contingent convertible security (i) directly from the Issuer or (ii) from an existing investor on the secondary market.

In both (i) and (ii) above, the purchase price of the contingent convertible security will be subject to market offer prices at the time of the transaction depending on several factors such as the credit rating of the Issuer, credit spread of the Issuer, market interest rates, the pricing offered by the Issuer of the contingent convertible security, tenor of the contingent convertible security and the prices of other comparable securities in the market, amongst others.

Conversion ratio/conversion price

Upon the occurrence of a trigger event, the relevant Issuer may (i) convert the contingent convertible security into a number of its underlying shares at a conversion ratio and price or (ii) temporarily or (as the case may be) permanently write down (in whole or in part) the principal amount of the contingent convertible security.

The trigger event that is applicable to the contingent convertible security that you invest in will be specified in the relevant Issuer's Product Documentation. In most cases, the applicable trigger event will relate to the breach of certain quantitative thresholds used to gauge the financial viability of the Issuer such as its capital adequacy ratio (for example, such an event may occur if an Issuer's Core Tier 1 Ratio or Common Equity Tier 1 Ratio is below a certain level as at the date of its financial statements contained in a quarterly financial report).

Alternatively, the trigger event applicable to a contingent convertible security could relate to the occurrence of a non-viability event. Typically, a non-viability event would occur if the relevant regulatory authority makes a determination that:

(a) a write-off of some or all of the Issuer's outstanding debt obligations (without which the Issuer would become non-viable) is necessary; and/or

(b) a public sector injection of capital or equivalent support (without which the Issuer would become non-viable) is necessary.

In the case of some contingent convertible securities, a non-viability event could also be triggered if (I) the relevant Issuer does not have sufficient assets to repay its creditors, (II) the capital of the relevant Issuer is reduced to a level that may adversely affect its creditors and/or (III) the relevant Issuer is unable to increase its own capital level.

The conversion ratio and price may be dependent on certain variable components (as specified by the Issuer in the Product Documentation) such as a reference market price, any predetermined minimum price, nominal value of the underlying shares of the Issuer.

You should note that:

- **if the relevant Issuer elects to write down part of or the entire principal amount of the contingent convertible security, you will suffer a loss on your investment;**

- **if the relevant Issuer elects to convert the contingent convertible security into a number of its underlying shares, the value of the shares that the Issuer is required to deliver to you is likely to be lower than your initial investment amount and in such circumstances, you will suffer a loss on your investment; and**

- **(where the relevant Issuer elects to convert the contingent convertible security into its shares) the amount of your losses may be magnified due to various other factors. These include, but are not limited to, the risk of unfavourably-timed conversion of the contingent convertible security into the relevant Issuer's underlying shares, unfavourable currency exchange rates (if the relevant Issuer's shares and contingent convertible security are denominated in different currencies) and more generally, unfavourable conversion terms.**

Coupon

In the case of most contingent convertible securities, investors will be paid coupons periodically (usually quarterly or semi-annually) as stated in the Issuer's terms (under the Product Documentation) and until the earlier of (i) the date of maturity (applicable only where the contingent convertible security has a maturity date and is not a perpetual security), (ii) the date on which a trigger event occurs and the contingent convertible securities are converted, (iii) the date on which the principal amount of the contingent convertible security is temporarily or permanently written down (whether in whole or in part) or (iv) if applicable, the date on which the Issuer exercises its call option to early redeem the contingent convertible securities.

However, you should note that in some circumstances (and where permitted under the terms of the relevant contingent convertible security), the payment of coupons may be at the discretion of the Issuer.

Call feature

As discussed above, some contingent convertible securities will include a call feature allowing for the Issuer to early redeem the securities.

Monetising the contingent convertible security

If the contingent convertible security is a perpetual security with no fixed maturity date, investors will only be able to monetise such contingent convertible securities (i) by way of a sale on the secondary market, (ii) if the contingent convertible security is early redeemed or (iii) if a trigger event occurs and the contingent convertible security is converted into underlying shares and subsequently sold in the secondary market or (as the case may be) written down by the Issuer, in which case the investor should expect that he may only receive a fraction of his initial investment amount (if any).

However, if the contingent convertible security has a maturity date, in addition to the options above, investors will also be able to monetise the contingent convertible securities by holding the contingent convertible securities to maturity. At maturity, a contingent convertible security will generally be redeemed at its par value (i.e. the value of the principal amount of the contingent convertible security).

Factors affecting the prices of contingent convertible securities in the secondary market

- *Credit quality of Issuer*
    - If the credit quality of an Issuer worsens materially, the price of its contingent convertible securities would likely deteriorate.
    - If the credit quality of the Issuer improves materially, prices are likely to appreciate.

- *Interest rates*
    - Prices of fixed-rate contingent convertible securities will generally fall if market interest rates rise.
    - Prices are likely to rise if market interest rates fall.
- *Price of underlying shares*
    - Prices of contingent convertible securities are likely to decrease with a decrease in the price of the underlying shares.
- *Liquidity conditions*
    - When liquidity conditions worsen materially, prices of contingent convertible securities are likely to fall and investors may not be able to sell the contingent convertible security at the expected price.
- *Currency of contingent convertible security*
    - If the contingent convertible security is in a foreign currency and that currency depreciates relative to investors' base currency, then the value of the contingent convertible security (in base currency terms) would fall.
    - The opposite is likely to happen if the currency of denomination appreciates.

Worst case scenario

Because this contingent convertible security 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 the Issuer and/or the Guarantor (where applicable) defaults on the contingent convertible security or becomes insolvent.

Scenario Analyses

Price of contingent convertible security at time of purchase = USD 100.

Coupon rate = 8.125% p.a.

Issuer call rights = none within the holding period (with the exception of Scenario 7 below).

Redemption price of contingent convertible security at maturity = redemption at par.

Scenario 1	**Investor sells contingent convertible security in the secondary market (the investor makes a loss)** ▪ One year later, the investor sells the contingent convertible security in the secondary market at a price of USD 90, incurring a loss of 10%* during the year - in terms of the cash price. ▪ However, during the year, the investor has earned 8.125% from coupon payments. ▪ Therefore, the investor makes a loss of approximately 1.875% p.a.*
Scenario 2	**Investor sells contingent convertible security in the secondary market (positive return-on-investment)** ▪ One year later, the investor sells the contingent convertible security in the secondary market at a price of USD 95, incurring a loss of 5%* during the year - in terms of the cash price. ▪ However, during the year, the investor has earned 8.125% from coupon payments. ▪ Therefore, the investor’s total holding-period return-on-investment is approximately 3.125% p.a.*
Scenario 3	**Investor sells contingent convertible security in the secondary market (positive return-on-investment)** ▪ One year later, the investor sells the contingent convertible security in the secondary market at a price of USD 100. ▪ However, during the year, the investor also earns 8.125% from coupon payments. ▪ Therefore, the investor’s total holding-period return-on-investment is approximately 8.125% p.a.*
Scenario 4	**Investor sells contingent convertible security in the secondary market (positive return-on-investment)** ▪ One year later, the investor sells the contingent convertible security in the secondary market at a price of USD 105, realising a gain of 5%* during the year - in terms of the cash price. ▪ However, during the year, the investor also earns 8.125% from coupon payments. ▪ Therefore, the investor’s total holding-period return-on-investment is approximately 13.125% p.a.*
Scenario 5	**A trigger event occurs and Issuer converts contingent convertible security into underlying shares** ▪ One year later, a trigger event occurs and the contingent convertible securities are converted into underlying shares of the Issuer. ▪ However, during the year prior to the occurrence of the trigger event, the investor would have earned 8.125% from coupon payments. ▪ Following the occurrence of the trigger event, the conversion ratio and conversion price will be determined in accordance with the terms set out in the Product Documentation. ▪ The investor receives the corresponding number of underlying shares of the Issuer based on the conversion ratio and conversion price. ▪ Depending on the actual conversion ratio and conversion price, the investor may make a profit or suffer a loss on the investment.
Scenario 6	**A trigger event occurs and the Issuer permanently writes down 50% of the face value of the contingent convertible security** ▪ One year later, a trigger event occurs and the Issuer permanently writes down 50% of the face value of the contingent convertible security. ▪ However, during the year prior to the occurrence of the trigger event, the investor would have earned 8.125% from coupon payments. ▪ In such a scenario, the investor is likely to suffer a substantial loss, which may be equal to or greater than 41.875% of his investment.

Scenario 7	**Issuer exercises call feature to early redeem the contingent convertible security** ▪ One year later, the Issuer notifies the investor (according to the terms set out under the Product Documentation) that it is electing to early redeem the contingent convertible security. ▪ Depending on the specific terms of the applicable Product Documentation, the investor will usually receive the principal amount invested together with any unpaid interest accrued up to the relevant redemption date.
Scenario 8	**Investor holds contingent convertible security to maturity (assuming that the contingent convertible security has a maturity date and is not a perpetual security)** ▪ This scenario is only applicable where the contingent convertible security has a maturity date and is NOT a perpetual security. ▪ In this scenario, since the contingent convertible security has not been (i) sold in the secondary market, (ii) converted into shares of the Issuer, (iii) permanently written down (in whole or in part) or (iv) early redeemed by the Issuer by way of the call feature, the Issuer will, at maturity, redeem the contingent convertible security at its par value. ▪ During the tenor of the contingent convertible security, the investor has earned a coupon of 8.125% p.a. ▪ The Investor's total return-on-investment would be calculated based on the maturity date of the contingent convertible security and the coupon payment of 8.125% p.a. earned over the tenor of the contingent convertible security.

**** This is strictly for illustration purposes only. The actual profit or shortfall (compared to your initial investment amount) is dependent on a number of factors including the market price of the relevant contingent convertible security at the time of sale, and it does not represent actual performance of any contingent convertible security.***

Any scenario analysis included in this document is illustrative and represents hypothetical outcomes only. Such scenario analyses do not represent (a) the actual terms on which the contingent convertible security might be purchased or sold in the secondary market or (b) the calculation or estimate of an amount that would actually be payable under the terms of the contingent convertible security. 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 any contingent convertible security or of future market conditions, rates, levels or prices by virtue of providing the scenario analyses.

Product Documentation and Trade Terms

The relevant Issuer's prospectus containing the governing terms of the contingent convertible security (**"Product Documentation"**) will be made available to you upon request. Please note that the terms used in the relevant Product Documentation may differ from those used in this document.

Fees and Charges

Standard Chartered Bank (operating through one of its branches or subsidiary entities) (**"SCB"**) will either make trading revenue from the position or will take a spread from the sale of the contingent convertible security to you.

Key Risks

The risk profile of this contingent convertible security may change over 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 contingent convertible security.	
Market Risk	The value of the contingent convertible security is based on various market factors such as the level of interest rates, price of the Issuer's underlying shares, the Issuer's and Guarantor's (where applicable) credit quality, foreign exchange rates, and liquidity. Contingent convertible securities are volatile instruments and may be subject to considerable fluctuations in value and other inherent risks associated with financial markets relevant to the Issuer (including, but not limited to, potential contagion risk arising from other contingent convertible securities or similar financial instruments in the market that may have an adverse effect on the value and liquidity of the contingent convertible security that you invest in). The value of the contingent convertible security may fall as rapidly as it may rise. Past performance is not a reliable indicator of future performance.
Valuation Risk	The payments you receive in relation to the contingent convertible security are dependent on the financial viability of the Issuer (which may be determined by certain quantitative thresholds) during the investment period, so it is important that such quantitative thresholds in question are capable of being properly valued. Finally, there is no assurance that the performance of the contingent convertible security will be at the desired levels in order to produce your intended returns.
Emerging Market Risk	Where the Issuers of the contingent convertible security are based in developing or emerging markets, investment in a contingent convertible security may involve certain special risks, including risks associated with political and economic uncertainty, adverse governmental policies, restrictions on foreign investment and currency convertibility, currency exchange rate fluctuations, possible lower levels of disclosure and regulation, and uncertainties as to the status, interpretation and application of laws, including those relating to private ownership of assets, expropriation, nationalisation and confiscation.
Principal at Risk	Contingent convertible securities are a principal-at-risk product. You may lose some or all of your initial investment amount. There is no assurance from SCB (or otherwise) that you will receive repayment of the initial investment amount through an Issuer's exercise of its early redemption rights (callable security) or a sale on the secondary market. In fact, you are exposed to the full downside risk if the Issuer defaults, fails to meet certain specified quantitative thresholds in its financial performance (where applicable) or if the price of the contingent convertible security falls.
Under-performance Risk	There is no assurance from SCB (or otherwise) that the return on the contingent convertible security will be equal to or greater than any potential return, including dividend income, that you may have earned on a direct investment in the underlying shares or a bank deposit or non-structured fixed coupon bond.
Information Risk	You will need to evaluate various factors in order to determine the likelihood of the occurrence of a trigger event that may result in (i) the conversion of the contingent convertible security into the underlying shares of the relevant Issuer or (ii) a temporary or permanent write-down of part of or the entire principal amount of the contingent convertible security. Such factors include (a) potentially transparent information such as the relevant Issuer's credit spread, leverage and any credit rating of the relevant contingent convertible security and (b) information that may not be transparent or readily available to you (for example, individual regulatory requirements relating to capital buffers and future risks relating to the Issuer's capital position). You must not invest in the contingent convertible security if you are of the view that you do not have any or sufficient information to be able to make a full and informed decision with regard to the likelihood of the occurrence of a trigger event under the relevant contingent convertible security.

Credit and Counterparty Risk	You assume the full credit risk of the Issuer and the Guarantor (where applicable). The contingent convertible security constitutes unsecured obligations of the Issuer and (where applicable) are unconditionally and irrevocably guaranteed by the Guarantor. This means that you are relying on the Issuer and the Guarantor (where applicable) to meet its/their payment obligations under the contingent convertible security. Should the Issuer and/or the Guarantor (where applicable) become insolvent or default on its/their obligations (including payment obligations) or fail in any other way, you may not receive any payments due to you under the terms of the contingent convertible security, including your initial investment amount. A credit rating is not a recommendation or assurance as to the Issuer's and/or the Guarantor's (where applicable) creditworthiness or the risks, returns or suitability of the contingent convertible security. In addition, you should be aware that the credit rating of the Issuer could differ significantly from the credit rating of the Guarantor and the two credit ratings should not be confused.
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 contingent convertible security where it determines that certain adjustment or extraordinary events have occurred (e.g. 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 contingent convertible security.
Liquidity Risk	Many contingent convertible securities are illiquid and are not designed to be short-term trading instruments. For contingent convertible securities that (i) have no active or liquid secondary trading market or (ii) are subject to certain selling restrictions (e.g. the restrictions set out under the Permanent Marketing Restrictions), you must be prepared to hold these contingent convertible securities until (i) the Issuer chooses to early redeem them, (ii) they are redeemed at maturity or (iii) they are converted as a result of a trigger event. This means that investors may not be able to sell or terminate the contingent convertible securities at the expected time or price.
Issuer Redemption/ Call Risk	If the terms of a contingent convertible security contain a callable feature, the relevant Issuer **may** (but is not obliged to) redeem such security early by giving the requisite notice. Redemption is at the sole and absolute discretion of the Issuer. If a contingent convertible security contains a callable feature, the Product Documentation will usually state the amount that the investor is entitled to receive in the event that the Issuer elects to early redeem the contingent convertible security by exercising such call feature. This amount may be equal to the principal amount of the contingent convertible security, although you should note that terms of contingent convertible securities may differ between Issuers. **Please refer to the relevant Product Documentation for more detail on what events may give the Issuer the right to early redeem the contingent convertible security and the terms that would apply in such circumstances.**
Reinvestment Risk	Where the contingent convertible security is terminated for whatever reason, including being called and redeemed at the option of the Issuer, you may not be able to reinvest the amounts received at the same rate or for the same return at that point in time.
Exchange Rate Risk	Where the contingent convertible security 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 Risk	You should understand and accept the identities of the parties and the roles they play in relation to the contingent convertible security as disclosed in the Product Documentation. For example, the Issuer (and, where applicable, the Guarantor) and its affiliates may play a variety of roles including acting as Calculation Agent. These parties have various discretionary powers (for example, the power to terminate or adjust terms of the contingent convertible security in certain circumstances) which may have a material impact on the value and performance of the contingent convertible security. In performing these duties, the economic interests of the Issuer (and, where applicable, the Guarantor) and its affiliates are potentially adverse to your interests as an investor in the contingent convertible security. SCB may have banking or other commercial relationships with the Issuer or other parties involved in the issue of the contingent convertible security and may from time to time engage in transactions involving the contingent convertible security or related securities (or derivatives or other products linked to the contingent convertible security or related securities) for their proprietary and other accounts. Such trading may influence the value of the contingent convertible security or related securities and therefore the value of the contingent convertible security in a manner that is potentially adverse to your interests as an investor in the contingent convertible security.

Interest Rate Risk	The market value of the contingent convertible security is exposed to the movement of interest rates during the tenor of the contingent convertible security and whenever it is terminated or sold prior to maturity. As interest rates move upwards, the value of the contingent convertible security will generally fall. Moreover, the longer the tenor of the contingent convertible security, the more sensitive it will be to interest rate changes.
Tax Risk	SCB recommends that you take independent tax advice before committing to purchase any contingent convertible security. 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	Cash settlement amounts will only be passed on to you after SCB has received cleared funds from the Issuer. This may result in payment or delivery to you only after the stated payment date(s) and in the event that the Issuer fails to make such payments to SCB, you risk losing all or part of your initial investment amount. 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.
Leverage Risk	If you have used leverage in the purchase of the contingent convertible security or if there is leverage embedded in the terms and conditions of the contingent convertible security, your risk increases significantly. A relatively small market or Reference Asset movement will have a significantly larger impact on the structured product and your initial investment amount. This may work for you as well as against you.

Disclaimers

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The Financial Ombudsman Service (FOS)
South Quay Plaza
183 Marsh Wall
London E14 9SR
Tel: helpline 0845 080 1800 (switchboard 0207 964 1000)
Website: www.financial-ombudsman.org.uk

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Contact Information

Please contact your Relationship Manager for further information or contact us at:

LONDON
Standard Chartered Bank
1 Basinghall Avenue
London EC2V 5DD
United Kingdom
Tel: +44 (0) 20 7885 8300
Fax: +44 (0)20 7885 8333

For Jersey advised investors and Jersey booked investors

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Complaint

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Contact Information

Please contact your Private Bank Account Associate for further information or contact us at:

JERSEY
Standard Chartered Bank, Jersey Branch
15 Castle Street, St Helier
Jersey, JE4 8PT, Channel Islands
Telephone: +44 (0)1534 704724
Fax: +44 (0)1534 704754

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