Hybrid (point of non-viability) (“Hybrid-PoNV”) securities

Product Features

- **Hybrid-PoNV securities** are complex financial instruments and are not suitable for inexperienced investors. If you do not understand how Hybrid-PoNV 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 prospectus, you must not invest in the relevant Hybrid-PoNV security.

- This is a hybrid security with “point of non-viability” features. Depending on the terms of the relevant Hybrid-PoNV security, the Issuer may, upon the occurrence of certain non-viability 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. Please refer to “Non-viability event(s)” in the “How does it work” section below for some examples of non-viability events.

- Where an Issuer elects to convert the Hybrid-PoNV security 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 and the 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 non-viability event and how the conversion ratio and price will be determined in such events.

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

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

- Hybrid-PoNV securities have both debt and equity-like features:
  - **Debt-like features:**
    - Prior to the conversion of the Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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.

Version date: 22.05.2017
Prior to the conversion of the Hybrid-PoNV security into underlying shares, investors do not have any voting rights. Only when the Hybrid-PoNV 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 Hybrid-PoNV securities will not (unless a non-viability event occurs and they are converted into underlying shares) be diluted. Similar to bonds, the face value of the Hybrid-PoNV security will remain the same. In the event that the Hybrid-PoNV 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:

- Hybrid-PoNV securities are subordinated to debt.
- Some Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV securities generally. Each Hybrid-PoNV security is subject to the Issuer's terms which vary according to the specific Issuer and/or tranche, for example:

- some Hybrid-PoNV securities have no maturity date and hence, are also perpetual securities;
- a Hybrid-PoNV 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 Hybrid-PoNV securities (including the applicable definitions and terms and conditions).

**Investor’s profile**

Investors who wish to invest in a fixed income instrument with a relatively higher yield compared to senior debt. At the same time, investors who are willing to accept that:

- investing in Hybrid-PoNV securities bears higher risk than investing in debt. This is due to the fact that Hybrid-PoNV 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 Hybrid-PoNV 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 non-viability event, the Issuer may (depending on the terms of the Product Documentation) elect to write down some or all of the Hybrid-PoNV securities in issue on a temporary or (as the case may be) permanent basis;
- upon the occurrence of a non-viability event, the Issuer may elect to convert the Hybrid-PoNV 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 non-viability event;
- some Hybrid-PoNV 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 Hybrid-PoNV securities (i) by selling them on the secondary market, (ii) if the Hybrid-PoNV securities are early redeemed or (iii) if a non-viability event occurs; and
- if the Hybrid-PoNV 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 expect that he may only receive a fraction of his initial investment amount (if any).
Investor’s view

- Hybrid-PoNV 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 non-viability event occurs;
  - you are not willing to accept the risk that a non-viability event may occur and that the Hybrid-PoNV 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 Hybrid-PoNV securities; or
  - (where the Hybrid-PoNV securities are also perpetual securities) you are not comfortable with an investment that does not have a fixed maturity date.

- The Hybrid-PoNV securities MAY be a suitable investment for you if:
  - you are willing to accept the risk of a non-viability 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 non-viability 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 face value of the Hybrid-PoNV securities.

How does it work?

Purchase price

An investor may either buy a Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV security, tenor of the Hybrid-PoNV security and the prices of other comparable securities in the market, amongst others.

Non-viability event(s)

Upon the occurrence of a non-viability event, the relevant Issuer may (i) convert the Hybrid-PoNV 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 face value of the Hybrid-PoNV security.

The non-viability event that is applicable to the Hybrid-PoNV security that you invest in will be specified in the relevant Issuer’s Product Documentation. Typically, a non-viability event is triggered when 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 Hybrid-PoNV 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.

You must refer to the relevant Issuer’s prospectus for more information on the non-viability event(s) that is/are specifically applicable to the Hybrid-PoNV security that you invest in.

Where the Issuer elects to convert the Hybrid-PoNV security into a number of its underlying shares, the applicable 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 and the 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 face value of the Hybrid-PoNV security, you will suffer a loss on your investment;

- if the relevant Issuer elects to convert the Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV security into the relevant Issuer's underlying shares, unfavourable currency exchange rates (if the relevant Issuer's shares and Hybrid-PoNV security are denominated in different currencies) and more generally, unfavourable conversion terms.

**Coupon**

In the case of most Hybrid-PoNV 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 Hybrid-PoNV security has a maturity date and is not a perpetual security), (ii) the date on which a non-viability event occurs and the Hybrid-PoNV securities are converted, (iii) the date on which the face value of the Hybrid-PoNV 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 Hybrid-PoNV securities.

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

**Call feature**

As discussed above, some Hybrid-PoNV securities will include a call feature allowing for the Issuer to early redeem the securities.

**Monetising the Hybrid-PoNV security**

If the Hybrid-PoNV security is a perpetual security with no fixed maturity date, investors will only be able to monetise such Hybrid-PoNV securities (i) by way of a sale on the secondary market, (ii) if the Hybrid-PoNV security is early redeemed or (iii) if a non-viability event occurs and the Hybrid-PoNV 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 Hybrid-PoNV security has a maturity date, in addition to the options above, investors will also be able to monetise the Hybrid-PoNV securities by holding the Hybrid-PoNV securities to maturity. At maturity, a Hybrid-PoNV security will generally be redeemed at its par value (i.e. the face value of the Hybrid-PoNV security).
Factors affecting the prices of Hybrid-PoNV securities in the secondary market

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

- **Interest rates**
  - Prices of fixed-rate Hybrid-PoNV 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 Hybrid-PoNV securities are likely to decrease with a decrease in the price of the underlying shares.

- **Liquidity conditions**
  - When liquidity conditions worsen materially, prices of Hybrid-PoNV securities are likely to fall and investors may not be able to sell the Hybrid-PoNV security at the expected price.

- **Currency of Hybrid-PoNV security**
  - If the Hybrid-PoNV security is in a foreign currency and that currency depreciates relative to investors’ base currency, then the value of the Hybrid-PoNV security (in base currency terms) would fall.
  - The opposite is likely to happen if the currency of denomination appreciates.

Worst case scenario

Because this Hybrid-PoNV 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 Hybrid-PoNV security or becomes insolvent.
Scenario Analyses

Price of Hybrid-PoNV 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 Hybrid-PoNV security at maturity = redemption at par.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scenario 1</strong></td>
<td>Investor sells the Hybrid-PoNV security in the secondary market (the investor makes a loss)</td>
</tr>
<tr>
<td></td>
<td>- One year later, the investor sells the Hybrid-PoNV 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.</td>
</tr>
<tr>
<td></td>
<td>- However, during the year, the investor has earned 8.125% from coupon payments.</td>
</tr>
<tr>
<td></td>
<td>- Therefore, the investor will suffer a loss of approximately 1.875% p.a.*</td>
</tr>
<tr>
<td><strong>Scenario 2</strong></td>
<td>Investor sells the Hybrid-PoNV security in the secondary market (positive return-on-investment)</td>
</tr>
<tr>
<td></td>
<td>- One year later, the investor sells the Hybrid-PoNV 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.</td>
</tr>
<tr>
<td></td>
<td>- However, during the year, the investor also earns 8.125% from coupon payments.</td>
</tr>
<tr>
<td></td>
<td>- Therefore, the investor's total holding-period return-on-investment is approximately 3.125% p.a.*</td>
</tr>
<tr>
<td><strong>Scenario 3</strong></td>
<td>Investor sells the Hybrid-PoNV security in the secondary market (positive return-on-investment)</td>
</tr>
<tr>
<td></td>
<td>- One year later, the investor sells the Hybrid-PoNV security in the secondary market at a price of USD 100.</td>
</tr>
<tr>
<td></td>
<td>- However, during the year, the investor also earns 8.125% from coupon payments.</td>
</tr>
<tr>
<td></td>
<td>- Therefore, the investor's total holding-period return-on-investment is approximately 8.125% p.a.*</td>
</tr>
<tr>
<td><strong>Scenario 4</strong></td>
<td>Investor sells the Hybrid-PoNV security in the secondary market (positive return-on-investment)</td>
</tr>
<tr>
<td></td>
<td>- One year later, the investor sells the Hybrid-PoNV 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.</td>
</tr>
<tr>
<td></td>
<td>- However, during the year, the investor also earns 8.125% from coupon payments.</td>
</tr>
<tr>
<td></td>
<td>- Therefore, the investor's total holding-period return-on-investment is approximately 13.125% p.a.*</td>
</tr>
<tr>
<td><strong>Scenario 5</strong></td>
<td>A non-viability event occurs and Issuer converts the Hybrid-PoNV security into underlying shares</td>
</tr>
<tr>
<td></td>
<td>- One year later, a non-viability event occurs and the Hybrid-PoNV securities are converted into underlying shares of the Issuer.</td>
</tr>
<tr>
<td></td>
<td>- However, during the year prior to the occurrence of the non-viability event, the investor would have earned 8.125% from coupon payments.</td>
</tr>
<tr>
<td></td>
<td>- Following the occurrence of the non-viability event, the conversion ratio and conversion price will be determined in accordance with the terms set out in the Product Documentation.</td>
</tr>
<tr>
<td></td>
<td>- The investor receives the corresponding number of underlying shares of the Issuer based on the conversion ratio and conversion price.</td>
</tr>
<tr>
<td></td>
<td>- Depending on the actual conversion ratio and conversion price, the investor may make a profit or suffer a loss on the investment.</td>
</tr>
<tr>
<td><strong>Scenario 6</strong></td>
<td>A non-viability event occurs and the Issuer permanently writes down 50% of the face value of the Hybrid-PoNV security</td>
</tr>
<tr>
<td></td>
<td>- One year later, a non-viability event occurs and the Issuer permanently writes down 50% of the face value of the Hybrid-PoNV securities.</td>
</tr>
<tr>
<td></td>
<td>- However, during the year prior to the occurrence of the non-viability event, the investor would have earned 8.125% from coupon payments.</td>
</tr>
<tr>
<td></td>
<td>- 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.</td>
</tr>
</tbody>
</table>
Scenario 7  
Issuer exercises call feature to early redeem the Hybrid-PoNV 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 Hybrid-PoNV 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 the Hybrid-PoNV security to maturity (assuming that the Hybrid-PoNV security has a maturity date and is not a perpetual security)  
- This scenario is only applicable where the Hybrid-PoNV security has a maturity date and is NOT a perpetual security.  
- In this scenario, since the Hybrid-PoNV security has not been (i) sold in the secondary market, (ii) converted into shares of the Issuer, (iii) temporarily or 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 Hybrid-PoNV security at its par value.  
- During the tenor of the Hybrid-PoNV 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 Hybrid-PoNV security and the coupon payment of 8.125% p.a. earned over the tenor of the Hybrid-PoNV security.

*This is strictly for illustration purposes only. It does not present actual prices that may be available to you. This does not present all possible outcomes or describe all factors that may affect the value of the Hybrid-PoNV security. 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 Hybrid-PoNV security at the time of sale, and it does not represent actual performance of any Hybrid-PoNV 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 any Hybrid-PoNV 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 any Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV security to you.
### Key Risks

The risk profile of this Hybrid-PoNV 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 Hybrid-PoNV security.

| Market Risk | The value of the Hybrid-PoNV 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. Hybrid-PoNV 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 Hybrid-PoNV securities or similar financial instruments in the market that may have an adverse effect on the value and liquidity of the Hybrid-PoNV security that you invest in). The value of the Hybrid-PoNV 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 Hybrid-PoNV security are dependent on the financial viability of the Issuer (as determined by certain quantitative thresholds) during the investment period, so it is important that the quantitative thresholds in question are capable of being properly valued. Finally, there is no assurance that the performance of the Hybrid-PoNV security will be at the desired levels in order to produce your intended returns. |
| Emerging Market Risk | Where the Issuer of a Hybrid-PoNV security is based in a developing or emerging market, an investment in such Hybrid-PoNV 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 | Hybrid-PoNV 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 or if the price of the Hybrid-PoNV security falls. |
| Under-performance Risk | There is no assurance from SCB (or otherwise) that the return on the Hybrid-PoNV 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 non-viability event that may result in (i) the conversion of the Hybrid-PoNV security into the underlying shares of the relevant Issuer or (ii) a temporary or permanent write-down of part of or the entire face value of the Hybrid-PoNV security. Such factors include (a) potentially transparent information such as the relevant Issuer’s credit spread, leverage and any credit rating of the relevant Hybrid-PoNV 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 Hybrid-PoNV 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 non-viability event under the relevant Hybrid-PoNV security. |
| Credit and Counterparty Risk | You assume the full credit risk of the Issuer and the Guarantor (where applicable). The Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV security. |
| **Liquidity Risk** | Many Hybrid-PoNV securities are illiquid and are not designed to be short-term trading instruments. For Hybrid-PoNV securities that (i) have no active or liquid secondary trading market or (ii) are subject to certain selling restrictions, you must be prepared to hold these Hybrid-PoNV 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 non-viability event. This means that investors may not be able to sell or terminate the Hybrid-PoNV securities at the expected time or price. Bid and offer prices for some Hybrid-PoNV may not be quoted. Bid and offer quotes, if any, are established by the dealers in the instruments and consequently fair price may be difficult to establish. You may have difficulty selling the Hybrid-PoNV at a reasonable price and, in some circumstances, it may be difficult to sell it at any price. |
| **Issuer Redemption/Call Risk** | If the terms of a Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV security by exercising such call feature. This amount may be equal to the face value of the Hybrid-PoNV security, although you should note that terms of Hybrid-PoNV 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 Hybrid-PoNV security and the terms that would apply in such circumstances. |
| **Reinvestment Risk** | Where the Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV security in certain circumstances) which may have a material impact on the value and performance of the Hybrid-PoNV 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 Hybrid-PoNV security. SCB may have banking or other commercial relationships with the Issuer or other parties involved in the issue of the Hybrid-PoNV security and may from time to time engage in transactions involving the Hybrid-PoNV security or related securities (or derivatives or other products linked to the Hybrid-PoNV security or related securities) for their proprietary and other accounts. Such trading may influence the value of the Hybrid-PoNV security or related securities and therefore the value of the Hybrid-PoNV security in a manner that is potentially adverse to your interests as an investor in the Hybrid-PoNV security. |
| **Interest Rate Risk** | The market value of the Hybrid-PoNV security is exposed to the movement of interest rates during the tenor of the Hybrid-PoNV security and whenever it is terminated or sold prior to maturity. As interest rates move upwards, the value of the Hybrid-PoNV security will generally fall. Moreover, the longer the tenor of the Hybrid-PoNV 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 Hybrid-PoNV 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 Hybrid-PoNV security or if there is leverage embedded in the terms and conditions of the Hybrid-PoNV security, your risk increases significantly. A relatively small market 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. |
| U.S. Tax Risk | Recently proposed U.S. Treasury regulations could impose a 30% withholding tax on amounts paid or deemed paid after 31 December 2015 that are treated as attributable to U.S.-source dividends on equities underlying financial instruments such as the Hybrid-PoNV security. At this stage it is not clear in what form these regulations will be finalised and you should consult your tax advisers regarding the potential application of these proposed regulations. |
Disclaimers

General disclaimer

This document is issued by Standard Chartered Bank, a firm authorised by the United Kingdom’s Prudential Regulation Authority and regulated by the United Kingdom’s Financial Conduct Authority and Prudential Regulation Authority. It is not a prospectus and no action has or will be taken in any jurisdiction to permit a public offering (except in circumstances which will result in compliance with applicable laws and regulations). It is for discussion purposes only and does not constitute any advice, offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices or any representation that any such future movements will not exceed those shown in any illustration.

SCB makes no representation or warranty of any kind, express, implied or statutory regarding this document or any information contained or referred to in the document to the extent that such information is prepared by an independent third party. This document is distributed on the express understanding that, whilst the information in it is believed to be reliable, it has not been independently verified. This document is for general evaluation only and has not been prepared to be suitable for any particular person or class of persons. SCB accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of this document, however arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the document or any part thereof or any contents or associated services.

The terms of the transaction entered into are subject to and will be recorded in the applicable Product Documentation. You must seek your own independent advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to in this document. In the event that you choose not to seek your own independent advice, you should carefully consider whether the product or service is suitable for you. SCB has no fiduciary duty towards you and (unless it is required to do so by any applicable law or regulation) it does not assume any responsibility to advise on, or make any representation as to the possible consequences of, the prospective transaction. You are advised to exercise your own independent judgment with respect to any matter contained herein.

Neither this document nor any copy of it may be sent or given to any U.S. Person (as defined under Regulation S of the U.S. Securities Act of 1933).

Country-specific disclaimers

For Singapore-advised investors and investors booked in Singapore

In Singapore, this document is being distributed to (i) private bank clients by Standard Chartered Bank, Singapore branch and (ii) non-private bank clients by Standard Chartered Bank (Singapore) Limited.

In Singapore, this document and the Product Documentation have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore ("SFA"). Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the product may not be circulated or distributed, nor may the product be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, or (ii) a relevant person pursuant to Section 275 of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

In the event where the product is subscribed for or purchased under Section 275 by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;
then the shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest in that trust shall not be transferred within six months after that corporation or that trust has acquired the product pursuant to an offer made under Section 275 except:

(1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or

(4) as specified in Section 276(7) of the SFA.

The product specified here is not a deposit and does not qualify as an insured deposit under the Singapore Deposit Insurance and Policy Owners’ Protection Schemes Act 2011.

For investments in Hybrid-PoNV securities, Standard Chartered Bank or (as the case may be) Standard Chartered Bank (Singapore) Limited acts as principal unless otherwise stated. The (i) principal place of business of Standard Chartered Bank in Singapore and (ii) registered address of Standard Chartered Bank (Singapore) Limited is 8 Marina Boulevard, #27-01, Marina Bay Financial Centre Tower 1, Singapore 018981.

For Singapore advised investors and Singapore booked investors: At Standard Chartered Bank or (as the case may be) Standard Chartered Bank (Singapore) Limited, we aim to provide excellent customer service. Should you require any assistance, please contact us at our 24 hour customer service hotline: 1800 747 7000. If you have any issue with any product that you have purchased from us, or are dissatisfied with the way in which we have handled your complaint in relation to your purchase of the product, you can approach the Financial Industry Dispute Resolution Centre ("FIDReC") for an independent review and resolution of your complaint. For more information on FIDReC, please visit their website at www.fidrec.com.sg.

For Hong Kong advised investors and investors booked in Hong Kong

In Hong Kong, this document is being distributed by Standard Chartered Bank (Hong Kong) Limited (渣打銀行(香港)有限公司 (CE#: AJI614) ("SCBHK"). SCBHK is regulated by the Hong Kong Monetary Authority and registered with the Securities and Futures Commission. This communication has not been and will not be registered as a prospectus in Hong Kong or authorised by the Hong Kong Securities and Futures Commission under the Securities and Futures Ordinance (Cap. 571) ("SFO"). This product shall not be offered or sold and will not be offered or sold in Hong Kong by means of any document at any time other than: (i) to “professional investors” as defined in the SFO and any rules made under that ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the “CO”) which do not constitute an offer to the public within the meaning of the CO. You must not invest in this product solely on the basis of the information contained in this document.

In respect of any eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between you and SCBHK out of the selling process or processing of the related transaction, SCBHK is required to enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of this product should be resolved directly between you and the Issuer. It is distributed on the express understanding that, whilst the information in it is believed to be reliable, it has not been independently verified.

This document is not to be distributed in, or transmitted (by telephone, text message, email, mail, facsimile or otherwise) into the People’s Republic of China (excluding Hong Kong, Macau and Taiwan) (the “PRC”) and the Republic of China (the “Taiwan”). Neither this document nor any other product documentation, advertisement or other marketing material may be distributed or published in the PRC or Taiwan, except where permitted under applicable laws and regulations.

For Standard Chartered Bank DIFC advised investors

Standard Chartered Bank, Dubai International Financial Centre ("SCB DIFC") having its offices at Dubai International Financial Centre, Building 1, Gate Precinct, P.O. Box 999, Dubai, UAE is a branch of Standard Chartered Bank and is regulated by the Dubai Financial Services Authority ("DFSA"). This document is intended for use only by Professional Clients and is not directed at Retail Clients as defined by the DFSA Rulebook. The protection and compensation rights that may generally be available to retail customers in the DIFC or other jurisdictions will not be afforded to Professional Clients in the DIFC.
For UAE-booked investors

Note that the contents of this document have not been reviewed by any regulatory authority in the United Arab Emirates.

This document is available in Arabic upon request.

For UK advised investors and UK booked investors

We offer this product on an advised and execution-only basis. It is possible that you have not received any advice from us as to whether you should purchase this product. If you are in any doubt about the suitability of the product, you should contact your Relationship Manager.

Issue of this document in the UK has been approved by SCB for the purposes of section 21(2)(b) of the UK’s Financial Services and Markets Act 2000 (“FSMA”) as amended in 2010 and 2012 only. In relation to the product described in this document, only SCB's approval of this document for issue in the UK falls within the scope of the FSMA regulation. Please note that if you book this product into Standard Chartered Group offices outside of the UK, you may not be eligible for (a) certain protections provided under the FSMA or (b) compensation under the UK Financial Services Compensation Scheme for the activities carried out from the UK office.

Compensation

SCB is covered by the Financial Services Compensation Scheme (“FSCS”). You may be entitled to compensation from the FSCS if SCB is in default and you have suffered a financial loss on investments as a direct result of SCB being unable to meet its financial obligations. The maximum compensation limit payable to eligible claimants in relation to investment business is currently £50,000 per person, per authorised firm. If the level of your claim against SCB is greater than £50,000 you would not be covered for the excess.

In respect of deposits (including structured deposits), you may be entitled to compensation from the FSCS if SCB is in default and unable to return the money deposited to you in full. For this type of loss, the maximum compensation limit payable to eligible claimants is currently £75,000 per person, per authorised firm. You would not be covered for any excess amount over the compensation limit. Compensation payable is per person and not per account so the aggregate balance of all deposits and accounts you hold with SCB will count towards one compensation limit.

The FSCS does not cover any fall in the market value of any investments or any other loss due to investment performance. The FSCS does not cover counterparty failure. If you have invested in a structured product (such as a structured note) and the issuer of the structured product becomes insolvent or otherwise fails to make payments due under the structured product you would not, for this reason alone, have the right to claim compensation from the FSCS.

In all circumstances, the eligibility of a claim and of a claimant are subject to the FSCS’s rules. For further details about the scheme (including the amounts covered and eligibility to claim) please contact your Relationship Manager, visit the FSCS website (www.fscs.org.uk) or contact the FSCS at: 10th Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU, telephone: 0800 678 1100 or 020 7741 4100.

Complaint

If you are dissatisfied with the Hybrid-PoNV security or any service provided by us in relation to it, you should in the first instance discuss the complaint with your Relationship Manager, who will provide you with a copy of our complaints handling procedure. You are also able to request a copy of our Complaints Handling Procedure from us at the address below, together with details of where to address your complaint if you are dissatisfied with the outcome of any subsequent investigation into your complaint, or if you feel that we have not conducted business throughout in conformity with these Terms.
In the United Kingdom, you may have a right of complaint direct to the Financial Ombudsman Service if you are dissatisfied with the outcome of any subsequent investigation into your complaint, or if you feel that we have not conducted business throughout in conformity with these Terms, and to therefore ask the Ombudsman to investigate the complaint. The address to which you should write is:

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

Standard Chartered Bank is incorporated in England with limited liability by Royal Charter 1853 Reference No ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority.

Standard Chartered Bank (trading as Standard Chartered Private Bank) is an authorised financial services provider (licence number 45747) in terms of the South African Financial Advisory and Intermediary Services Act, 2002.

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

This Hybrid-PoNV security is not an “eligible deposit” and therefore you will not be eligible for the protection provided by the Jersey Banking Depositor Compensation Scheme.

This document is issued by Standard Chartered Bank, Jersey Branch ("SCBJ"). In Jersey, Standard Chartered Private Bank is the Registered Business Name of the Jersey Branch of Standard Chartered Bank. The Jersey Branch of Standard Chartered Bank is regulated by the Jersey Financial Services Commission. Copies of the latest audited accounts of Standard Chartered Bank are available from its principal place of business in Jersey: PO Box 80, 15 Castle Street, St. Helier, Jersey JE4 8PT.

Jersey is not part of the United Kingdom and all business transacted with Standard Chartered Bank, Jersey Branch and other Standard Chartered Group Offices outside of the United Kingdom, are not subject to some or any of the investor protection and compensation schemes available under United Kingdom law.

Standard Chartered Bank is incorporated in England with limited liability by Royal Charter in 1853 Reference Number ZC18. The Principal Office of the Company is situated in England at 1 Basinghall Avenue, London, EC2V 5DD. Standard Chartered Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. The Jersey Branch of Standard Chartered Bank is also an authorised financial services provider under license number 44946 issued by the Financial Services Board of the Republic of South Africa.

For EU Residents: This document is only addressed to persons in the European Union ("EU") who come within the exemption of Article 3 of the Prospectus Directive 2003/71/EC and must not be acted on or relied on by other persons in the EU.
This document is issued by SCBJ and its issue in the United Kingdom has been approved by SCB for the purposes of section 212(2)(b) of the United Kingdom’s Financial Services and Markets Act 2000 (“FSMA”) as amended in 2010 and 2012. Please note that, in relation to the product described in this Document, only SCB’s approval of the Document for issue in the United Kingdom falls within the scope of Financial Conduct Authority and Prudential Regulation Authority regulation, and, in particular, SCBJ's provision of such products and of other services to you is not regulated by the Financial Conduct Authority and Prudential Regulation Authority.

This document is produced by SCBJ solely for the information purposes of the recipient. It is not to be copied or made available to any other person without the express written consent of SCBJ. It provides information that SCBJ believes to be appropriate and reliable, but no representation or warranty is given as to its accuracy, reliability or completeness. SCBJ accepts no liability for any direct or consequential loss arising from any use of this document.

Compensation

Jersey is not part of the United Kingdom and when you conduct business with SCBJ and other Standard Chartered Group offices outside the United Kingdom you will not be eligible for (a) most of the protections provided under the United Kingdom’s Financial Services and Markets Act 2000 (“FSMA”) or (b) compensation under the United Kingdom’s Financial Services Compensation Scheme (the “Scheme”).

Complaint

If you are dissatisfied with any aspect of the service provided by us you should submit your complaint in writing, addressed to: The Chief Executive Officer, Standard Chartered Bank, Jersey Branch, PO Box 80, 15 Castle Street, St Helier, Jersey JE4 8PT, Channel Islands

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

For Taiwan-advised and Taiwan-booked investors

This document is issued by Standard Chartered Bank (Taiwan) Limited (“SCBTL”), a bank regulated by the Financial Supervisory Commission R.O.C (Taiwan). It is not a prospectus and no action has or will be taken in any jurisdiction to permit a public offering (except in circumstances which will result in compliance with applicable laws and regulations). It is for discussion purposes only and does not constitute any advice, offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices or any representation that any such future movements will not exceed those shown in any illustration.

SCBTL makes no representation or warranty of any kind, express, implied or statutory regarding this document or any information contained or referred to in the document. This document is distributed on the express understanding that, whilst the information in it is believed to be reliable, it has not been independently verified by us. This document is for general evaluation only and has not been prepared to be suitable for any particular person or class of persons. SCBTL accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from your use of this document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the document or any part thereof or any contents or associated services.
The terms of the transaction entered into are subject to and will be recorded in the applicable Product Documentation. You must seek your own independent advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to in this document. In the event that you choose not to seek your own independent advice, you should carefully consider whether the product or service is suitable for you. SCBTL has no fiduciary duty towards you and (unless it is required to do so by any applicable law or regulation) it does not assume any responsibility to advise on, or make any representation as to the appropriateness, suitability or possible consequences of, the prospective transaction. You are advised to exercise your own independent judgment with respect to any matter contained herein.

Neither this document nor any copy of it may be sent or given to any U.S. Person (as defined under Regulation S of the U.S. Securities Act of 1933).

For Philippines-advised and Philippines-booked investors

Hybrid-PoNV securities are not deposits and hence, they are not protected or insured by the Philippine Deposit Insurance Corporation.

This communication has not been and will not be registered with the Philippines Securities and Exchange Commission (SEC). This product shall not be sold or offered for sale or distribution within the Philippines without a registration statement duly filed with and approved by the SEC. If a Hybrid-PoNV security has not been registered with the SEC, the prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Hybrid-PoNV security may not be circulated or distributed, nor may the security be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in the Philippines unless such offer or sale qualifies as an exempt security under Section 9 or an exempt transaction under Section 10 of the Philippines Securities Regulation Code.

Standard Chartered Bank (Philippines) (SCB PH) is regulated by the Bangko Sentral ng Pilipinas (BSP). For inquiries or complaints, you may contact SCB PH at +632 830-1111 (Metro Manila), 1-800-1-888-1188 (Toll-Free, outside Metro Manila) or the BSP Financial Consumer Protection Department at +630 708-7087 or e-mail to consumeraffairs@bsp.gov.ph.

Issued by Standard Chartered Bank (Hong Kong) Limited