



HSBC

Important Risk Warning

- Unit-linked Deposits, Structured Investment Deposits and Capital Protected Investment Deposits are investment products and some Unit Trusts are structured products may involve derivatives. Together with Certificates of Deposit (CDs), they are NOT equivalent to time deposits. The investment decision is yours but you should not invest unless the intermediary who sells it to you has explained to you that the product is suitable for you having regard to your financial situation, investment experience and investment objectives.
- The price of securities/structured products may move up or down and may become valueless. Losses may be incurred as well as profits made as a result of buying and selling securities/structured products.
- In the worst case scenario, the value of the products may be worth substantially less than the original amount you invested (and in an extreme case could be worth nothing).
- Issuer's Risk – Bonds, CDs, structured products are subject to both the actual and perceived measures of credit worthiness of the issuer. There is no assurance of protection against a default by the issuer in respect of the repayment obligations. In the worst case scenario, you might not be able to recover the principal and interest/coupon if the issuer defaults on the Bonds, CDs and structured products.
- Investors should not make investment decisions based on this material alone.
- Investment involves risks. Past performance of products is no guide to future performance. For details of the products, the related fees and charges and risk factors, please refer to the individual product materials and/or offering materials.
- Currency conversion risk – the value of your foreign currency and RMB products/deposit will be subject to the risk of exchange rate fluctuation. If you choose to convert your foreign currency and RMB products to other currencies at an exchange rate that is less favourable than that exchange rate in which you made your original conversion to foreign currency and RMB, you may suffer loss in principal/investment.
- RMB denominated products are subject to liquidity risk as there may be no regular trading and active secondary market for RMB Income Instruments. The bid and offer spread of the price of RMB Income Instruments may be large, so investors may incur significant trading and realisation costs and may suffer losses accordingly.
- Warrants and CBBs are non-colateralised products. The price of the Warrants/CBBs may fall in value as rapidly as it may rise and investors may sustain a total loss of their investment. Prospective investors should ensure that they understand the nature and risks and seek for professional advice where applicable.
- Additional risks are disclosed in the "Risk Disclosure" section. Please refer to "Risk Disclosure" section for details.

Investors should read the terms and conditions contained in the relevant offering documents in particular "Important Risk Warning" and "Risk Disclosure". Content of "Important Risk Warning" and "Risk Disclosure" is updated on a regular basis. For details of individual investment products, please refer to the relevant individual product materials.

Structured Investment Deposits, Deposit Plus, Capital Protected Investment Deposits and CDs are NOT protected deposits and are not protected by the Deposit Protection Scheme in Hong Kong. Deposit Plus is NOT principal protected.

Promotional Terms and Conditions

General Terms and Conditions:

- Promotional Period: 15 May 2020 to 31 July 2020** (both dates inclusive), unless otherwise specified in the Specific Terms and Conditions below.
- Who can enjoy the Promotion:** The offers under this promotion (collectively, the "Offers") are exclusive to personal customers who are the sole or principal accountholders (if a joint account) of a Personal Integrated Account or HSBC Advance (the "Applicable Account") of The Hongkong and Shanghai Banking Corporation Limited in the Hong Kong Special Administrative Region ("Hong Kong") (and its successors and assigns) (the "Bank" or "HSBC") as of 31 July 2020 and fulfil all the following requirements (the "Eligible Customers"):
 - be aged 18 or above on 15 May 2020;
 - not a citizen/resident/tax payer resident of the United States of America (U.S.);
 - successfully open an Applicable Account with the Bank as the sole accountholder or as the principal accountholder (if a joint account) through any branch of the Bank in Hong Kong or through HSBC HK App during the Promotional Period; and
 - make initial deposit with new fund to the Applicable Account and maintain positive balance at the time of offer fulfillment.

3. Who cannot enjoy the Promotion:

- HSBC Premier and/or HSBC Advance and/or Personal Integrated Account (whether as sole accountholders or joint accountholders) in the past 9 months prior to the new Applicable Account opening month as shown in Illustration I below, both dates inclusive; Illustration I

Date of opening an Applicable Account	During 15-31 May 2020	During 1-30 June 2020	During 1-31 July 2020
Existing HSBC Premier and/or HSBC Advance and/or Personal Integrated Account in the past 9 months prior to the new Applicable Account opening month	15 August 2019 to 31 May 2020	1 September 2019 to 31 May 2020	1 October 2019 to 30 June 2020

- (b) Eligible Customers who terminate the Applicable Account through which the designated transaction was conducted or convert such Applicable Account to an Integrated Account – HSBC Premier before receiving the benefits of the Offers; and

4. Bank's Records:

The dates and amounts appearing in the Bank's record will be conclusive as to the date on which an Applicable account was opened, terminated or converted and amount of balances/number of transactions carried out.

5. Total Relationship Balance ("TRB") includes:

- Hong Kong dollar/Renminbi/foreign currency deposits
- Market value of the following investments: Local and Overseas Securities, Unit Trusts, Bonds, Certificates of Deposit, Equity-linked Investments, Structured Notes, Monthly Investment Plan (Stocks/Unit Trusts) and Wayfoong Statement Gold
- Deposit amounts of Deposit Plus and Structured Investment Deposits
- Utilised lending facilities (excluding mortgages and amounts outstanding on credit cards)
- Life insurance with savings or investment component*
- HSBC MPF balances and HSBC ORSO Defined Contribution Scheme balances which are administered by The Hongkong and Shanghai Banking Corporation Limited

- * For life insurance with savings or investment component:
 - Investment-linked life insurance policies include the total cash value of the policies;
 - Other life insurance policies include the total cash value of the policies OR total premium paid less any annuity payments received (if applicable), whichever is higher.

To determine the overall TRB of an Eligible Customer, the applicable TRB of all personal sole account(s) and joint account(s) (where the same Eligible Customer is the principal accountholder) under the same name and identity document number of the Eligible Customer will be included in the calculation. All life insurance, MPF and ORSO Defined Contribution Scheme policies are held under personal sole account only, the account balances shall not be included in the TRB calculation in joint capacity. There may be a time lag before the value of certain investment transactions (i.e. Initial Public Offering subscriptions for Securities, Bonds, Open-end Funds and Certificates of Deposits) and life insurance policies will be included in the TRB due to the processing time required and therefore may affect the TRB in the Bank's record.

6. Definitions in this promotion.

"Average Daily TRB" refers to the average daily total relationship balance in a full calendar month from the first day to the last day of the calendar month (both days inclusive).

"New Fund" refers to the net growth in the Eligible Customer's Average Daily TRB, by comparing the Eligible Customer's Average Daily TRB in the calendar month before the opening of or, where applicable, conversion from an existing account to an Applicable Account against his/her Average Daily TRB in the first/second/third calendar month (as the case may be) after the month of account opening, according to the Bank's records.

"New HSBC Customer" is an Eligible Customer who must NOT be a holder of any one of the following account/products at any time during the period from 15 April 2020 to the date when he/she opens an Applicable Account:

- sole or joint name account with the Bank (excluding holder of any personal primary or additional credit card issued by the Bank, MPF accounts and safe deposit lease accounts); or
- any insurance plans applied through the Bank (except Single Trip Travel Insurance).

For the avoidance of doubt, any person who is only a holder of any personal primary or additional credit card issued by the Bank, MPF accounts of the Bank, safe deposit lease accounts of the Bank or insurance plan of Single Trip Travel Insurance applied through the Bank will not be deemed as an existing HSBC customer for the purpose of this promotion.

- Personal Data:** Eligible Customers who are opening an Applicable Account are required to understand and agree that the Bank may use and disclose all personal data about them that the Bank currently or subsequently holds for the purposes as set out in the Notice relating to the Personal Data (Privacy) Ordinance and that they will be subject to the Integrated Account Terms and Conditions upon becoming a holder of an Applicable Account. For details of Notice relating to the Personal Data (Privacy) Ordinance, please visit HSBC website [Select "Banking">"Important Notices">"Privacy and Security"]; for the Integrated Account Terms and Conditions, please refer to HSBC website – HSBC Advance Overview or Personal Integrated Account Overview for details.
- Cash Rebate:** Unless otherwise specified below, Eligible Customers will receive cash rebate (the "Cash Rebate") as the relevant reward(s) under this promotion subject to these Promotional Terms and Conditions (including the General Terms and Conditions and the Specific Terms and Conditions below). The Cash Rebate will be credited to the Eligible Customer's Applicable Account (sole account or the joint account for which the Eligible Customer is the principal accountholder) on or before 31 January 2021 if the terms of the Offers are met. For any enquiries about Cash Rebate entitlement, customers should contact the Bank prior to or after 31 July 2021.
- Other Promotions:** In the event that an Eligible Customer is also entitled to other prevailing promotional offers or relating to the same product/service, the Bank reserves the right to provide only the offer of the highest value to the customer.
- The Offers are provided subject to the prevailing legal and regulatory requirements.
- No person other than the customer who enjoys any Offer in the promotion and the Bank will have any right under the Contracts (Rights of Third Parties) Ordinance to enforce or enjoy the benefit of any of the provisions of these Promotional Terms and Conditions.
- In the event of a dispute, the decision of the Bank shall be final.
- The Bank may change these Promotional Terms and Conditions and/or cancel any Offer at any time. The latest details of this promotion and the revised terms and conditions will be made available on our website and/or communicated to customers by other means as soon as practicable.
- These Promotional Terms and Conditions are governed by and construed in accordance with the laws of Hong Kong.
- If there is any discrepancy between the Chinese and English versions of these Promotional Terms and Conditions, the English version shall apply and prevail.

Specific Terms and Conditions

(A) Specific Terms and Conditions for Mobile Account Opening Offer – 10% p.a. reward on HKD savings deposit for 2 months (the "Mobile Account Opening Offer")

- Customer has to meet all the following criteria to open an account with HSBC HK App:
 - must be permanent resident aged 18-65 residing in Hong Kong; and
 - must NOT be a holder of any HSBC banking or investment accounts or credit cards (including supplementary credit cards).
- Customer must fulfil the below requirements in order to enjoy the Mobile Account Opening Offer (the "Mobile Account Opening Customer"):
 - successfully opens a new Applicable Account through HSBC HK App as the sole accountholder or as the principal accountholder (if a joint account) during the Promotional Period; and
 - make initial deposit with new fund to the Applicable Account and maintain positive balance at the time of offer fulfillment.
- Mobile Account Opening Customer can get 10% p.a. reward on the first HKD50,000 average daily HKD savings deposit balance of each month for 2 months. The Mobile Account Opening Offer is only applicable to the HKD savings deposit balance at HKD50,000 or below. For deposits beyond HKD50,000, only prevailing Hong Kong Dollar Savings Board Rate will apply.
- The Mobile Account Opening Offer will be applied to the new Applicable Account on the first and second calendar month following the month of the account opening ("Application Period") (as shown in Illustration II below). After the Application Period, Hong Kong Dollar Savings Board Rate quoted at that time will apply. Illustration II

Date of opening an Applicable Account	During 15-31 May 2020	During 1-30 June 2020	During 1-31 July 2020
Months on which the Mobile Account Opening Offer apply to the new Applicable Account	June & July 2020	July & August 2020	August & September 2020

- The Mobile Account Opening Offer is calculated with reference to average daily HKD savings deposit balance of each calendar month. The average daily deposit balance is calculated by dividing the sum of the daily account deposit balance by the number of calendar days of the respective month. All related account deposit balance shall be based on the record of the Bank.

Example: Mobile Account Opening Customer opens a new Applicable account in May 2020, and maintains HKD80,000 average daily HKD savings deposit balance in June 2020 and HKD30,000 average daily HKD savings deposit balance in July 2020. The calculation on the Mobile Account Opening Offer is shown as Table (1) below:

Table (1)

Mobile account opening month: May			
Average daily HKD savings deposit tier	Calculation		Cash Rebate
First HKD50,000 ¹ in June	HKD50,000 ¹ × 10% × 30 days / 366 days		HKD409.84
Remaining HKD30,000 in June	Not applicable		Not applicable
HKD30,000 in July	HKD30,000 ¹ × 10% × 31 days / 366 days		HKD254.10
Total reward amount			HKD663.94

¹ The offer is only applicable to the average daily HKD savings deposit balance at HKD50,000 or below.

- The Table (1) in Clause 5 is for reference and illustration purposes only. It is subject to change from time to time and at the Bank's sole and absolute discretion.
- The Mobile Account Opening Offer is only applicable to the Hong Kong Dollar Savings Account under the new Applicable Account.
- The prevailing Hong Kong Dollar Savings Board Rate is still valid. In addition, the prevailing bonus interest rate is still applicable if the customer's total relationship balance is HKD1,000,000 or above. Please refer to the related promotional material or contact any of our branch staff for details. Other than this prevailing bonus interest rate offer, the offer cannot be applied in conjunction with any other HKD savings deposit offers (including but not limited to deposit-linked mortgage).
- If an Eligible Customer opens more than one Applicable Account in the same month, only the account with the highest average daily HKD savings deposit balance on the first calendar month following the month of the account opening will be eligible to the offer throughout the Application Period.
- Each Mobile Account Opening Customer can only enjoy the Mobile Account Opening Offer for once.

(B) Specific Terms and Conditions for New Investment Account Offer – HKD100 Cash Rebate (the "New Investment Account Offer")

- The New Investment Account Offer is applicable to New HSBC Customers only (as defined in Clause 6 under the General Terms and Conditions above).
- Eligible Customer must have successfully opened an investment account under the Applicable Account as at the last day of the first calendar month following the month of the account opening (as shown in Illustration III below) in order to enjoy the New Investment Account Offer. Illustration III

Date of opening an Applicable Account	During 15-31 May 2020	During 1-30 June 2020	During 1-31 July 2020
Having successfully opened an investment account	As at 30 June 2020	As at 31 July 2020	As at 31 August 2020

- Each Eligible Customer can only enjoy the New Investment Account Offer for once.

(C) Specific Terms and Conditions for Digital Transactions Offer – HKD100 Cash Rebate (the "Digital Transaction Offer")

- The Digital Transaction Offer is applicable to New HSBC Customers only (as defined in Clause 6 under the General Terms and Conditions above).
- Eligible Customer must fulfil all the requirements from (i) to (iii) below in order to enjoy the Digital Transaction Offer:
 - successfully opens an Applicable Account as the sole accountholder or as the principal accountholder (if a joint account) during the Promotional Period; and
 - having newly registered for HSBC Personal Internet Banking as at the last day of the calendar month following the month of the account opening and must be a registered user for HSBC Personal Internet Banking at the time of offer fulfillment; and
 - conduct any designated digital transactions from (a) to (j) in Table (2) below during the period from the date of account opening to the last day of the calendar month following the month of the account opening (both dates inclusive) (the "Take-up Period") as shown in Illustration IV below.

Illustration IV

Date of opening an Applicable Account	During 15-31 May 2020	During 1-30 June 2020	During 1-31 July 2020
Take-up Period (from date of opening an Applicable Account)	No later than 30 June 2020	No later than 31 July 2020	No later than 31 August 2020

Table (2)

Item	Product/Service	Detailed requirement(s) for each eligible online/mobile banking transaction
a	Fund Transfer	Transfer successfully to: <ol style="list-style-type: none"> HSBC third party account(s); OR Non-HSBC account(s) (Note: e-cheque service is not included)
b	Bill Payment	Settle any bill successfully
c	Securities Trading/Stocks Monthly Investment Plan/IPO	Buy or sell Hong Kong stocks, China A Shares or US stocks; OR Successfully set up Stocks Monthly Investment Plan to purchase stocks; OR Apply for Initial Public Offering (IPO) of stocks with successful allotment
d	Foreign Exchange	Buy or sell foreign currency/Renminbi using 24-Hour Currency Exchange Service ¹ , ForEx Switching Service, RMB Switching Service or FX Order Watch Trading Services ²
e	Unit Trusts/Unit Trust Monthly Investment Plan/ FlexiInvest	Subscribe Lump-sum Unit Trusts, excluding redemption and switching of Unit Trusts; OR Successfully set up Unit Trust Monthly Investment Plan; OR Successfully set up FlexiInvest
f	Bonds/Certificates of Deposits	Buy or sell Bonds/CDs; OR Apply for Initial Public Offering (IPO) for bonds with successful allotment
g	Deposit Plus	Place a Deposit Plus order
h	Credit Cards	Apply with successful approval for any one of the following primary HSBC Credit Cards ^{**} : <ol style="list-style-type: none"> HSBC Red Credit Card HSBC Visa Signature Card HSBC Visa Platinum Card HSBC Pulse UnionPay Dual Currency Diamond Credit Card HSBC UnionPay Dual Currency Credit Card HSBC Visa Gold Card
i	Loans/Credit Card Cash Instalment Plan/ Spending Instalment Plan	Apply with successful drawdown for one of the following products: <ol style="list-style-type: none"> HSBC's Personal Instalment Loan^{**} OR HSBC's Revolving Credit Facility^{**} OR HSBC's Personal Tax Loan^{**} OR Successfully redraw the repaid principal of HSBC's Personal Instalment Loan; OR Apply with successful approval of Credit Card Cash Instalment Plan or Spending Instalment Plan via HSBC online banking or HSBC mobile banking ^{**}
j	Time Deposit	Successful placement of new HKD/FX/RMB Time deposit (excluding renewal of time deposit)

¹ The service (exclude USD/CombiNation Passbook Savings account) operates from Monday 5am to Saturday 4:59am and Saturday 8am to 4:30pm. For USD/CombiNation Passbook Savings accounts, the service operates from Monday to Friday 8am to 7pm and Saturday 8am to 4:30pm. Above service hours are not applicable on 1 January, 25 December, 12 midnight to 7:59am on 26 December and 2 January and when a Black Rainstorm Warning Signal or Typhoon No. 8 signal or above is hoisted.

² FX Order Watch Trading Services are exclusively provided to HSBC Premier and HSBC Advance customers only. The services are only applicable for integrated accounts, HKD/FCY Statement Savings Accounts and HKD Current Account, except Multiple Currencies Savings accounts or HK Dollar Passbook Savings accounts. Please note the weekly Foreign Exchange Offer is not applicable to exchange transactions done via the FX Order Watch Trading Services.

^{**} Only completed application(s) submitted via HSBC mobile banking or HSBC online banking will be eligible. Application form(s) printed from HSBC online banking or HSBC Website, application(s) completed or submitted via HSBC phone banking or other channels or application(s) with only supporting document(s) submitted through HSBC online banking or HSBC mobile banking are not eligible.

- Each Eligible Customer can only enjoy the Digital Transaction Offer for once.

(D) Specific Terms and Conditions for Regular Payment Setup Offer – HKD100 Cash Rebate (the "Regular Payment Setup Offer")

- The Regular Payment Setup Offer is applicable to New HSBC Customers only (as defined in Clause 6 under the General Terms and Conditions).
- Eligible Customer must successfully setup AutoPay or setup a standing instruction under the Applicable Account on or before the last day of the second calendar month after the month of account opening (as shown in Illustration V below) in order to enjoy the Regular Payment Setup Offer. Illustration V

Date of opening an Applicable Account	During 15-31 May 2020	During 1-30 June 2020	During 1-31 July 2020
Successfully setup AutoPay/ a standing instruction	No later than 31 July 2020	No later than 31 August 2020	No later than 30 September 2020

- Each Eligible Customer can only enjoy the Regular Payment Setup Offer for once.

(E) Specific Terms and Conditions for Auto Payroll Offer – up to HKD800 Cash Rebate (the "Payroll Offer")

- The Payroll Offer is applicable to New HSBC Customers only (as defined in Clause 6 under the General Terms and Conditions).
- Eligible Customer must fulfil all the requirements of (i) to (iii) below in order to enjoy the Payroll Offer:
 - successfully opens an Applicable Account as the sole accountholder or as the principal accountholder (if a joint account) during the Promotional Period; and
 - have his/her monthly auto payroll service with the monthly deposit amount of at least HKD10,000 successfully set up and the first monthly amount automatically deposited in the newly opened Applicable Account on or before the last day of the second calendar month after the month of account opening; and
 - maintain the monthly auto payroll service with the monthly deposit amount of at least HKD10,000 for the third and the fourth calendar month after the month of account opening (as shown in Illustration VI below).

Illustration VI

Date of opening an Applicable Account	During 15-31 May 2020	During 1-30 June 2020	During 1-31 July 2020
Time at which the monthly auto payroll service with the monthly deposit amount of at least HKD10,000 must be successfully set up and the first monthly amount must be automatically deposited in the Applicable Account (from date of opening an Applicable Account)	No later than 31 July 2020	No later than 31 August 2020	No later than 30 September 2020
Months on which the monthly auto payroll service with the monthly deposit amount of at least HKD10,000 must be maintained	August & September 2020	September & October 2020	October & November 2020

- An Eligible Customer will not be eligible for the Payroll Offer if he/she has auto payroll records with the Bank during the previous 6 months prior to the first deposit made and received by the Bank.

- Provided that the conditions in Clause 2 of this Part (E) are satisfied, an Eligible Customer is entitled to receive: (i) HKD800 Cash Rebate if his/her monthly auto payroll amount is HKD50,000 or above; or (ii) HKD500 Cash Rebate if his/her monthly auto payroll amount is HKD20,000 or above but below HKD50,000. If the monthly auto payroll amount varies, the total amount of Cash Rebate an Eligible Customer is entitled to will be determined based on the lowest monthly auto payroll amount transferred to his/her account for the duration as stipulated in Clause 2 of this Part (E) according to records maintained by the Bank.

- An Eligible Customer must notify and arrange with his/her employer to have his/her monthly payroll amount credited into the newly opened Applicable Account for a duration as stipulated in Clause 2 of this Part (E). Deposit of monthly payroll through remittance, local CHATS, standing instruction, cheque and cash will not be considered as "auto payroll" and will not be eligible for this Payroll Offer. The Bank reserves the final right to define the term "auto payroll" and may request customer to provide relevant payslips issued by his/her employer for verification in case of any dispute regarding the eligibility of payroll records.

- Unless otherwise specified, this Payroll Offer cannot be used in conjunction with other payroll service offers from other programmes including but not limited to Employee Banking Solutions (EBS) provided by the Bank.

- Each Eligible Customer can only enjoy the Payroll Offer for once.

(F) Specific Terms and Conditions for the New Fund Offer – up to HKD400 Cash Rebate (the "New Fund Offer")

- The New Fund Offer is applicable to New HSBC Customers only (as defined in Clause 6 under the General Terms and Conditions above).
- Eligible Customer must fulfil all the requirements from (i) to (ii) below in order to enjoy the New Fund Offer:
 - successfully opens an Applicable Account as the sole accountholder or as the principal accountholder (if a joint account) during the Promotional Period; and
 - having placed New Fund (as defined in Clause 6 under the General Terms and Conditions above) of a specified amount shown in the table below in such Applicable Account on or before the last day of the first calendar month after the month of account opening and maintains the New Fund for the second and the third calendar months after the month of account opening (as shown in Illustration VII below). If the amount of New Funds for the second and the third calendar months after the month of account opening are different, the New Fund Offer will be determined based on the lower amount.

Date of opening an Applicable Account	During 15-31 May 2020	During 1-30 June 2020	During 1-31 July 2020
Month on which the New Fund of at least HKD100,000 must be placed	No later than 30 June 2020	No later than 31 July 2020	No later than 31 August 2020
Months on which the New Fund of at least HKD100,000 must be maintained	July & August 2020	August & September 2020	September & October 2020

Amount of New Fund maintained	Cash Rebate
HKD100,000 to less than HKD200,000 (or equivalent in foreign currency)	HKD200
HKD200,000 or above (or equivalent in foreign currency)	HKD400

The table below showing the eligibility of the New Fund Offer under different scenarios are for reference and illustration purposes only. The Average Daily TRB of NTB before account opening will be default as zero. For example, assuming that a Customer opened an Applicable Account in May 2020 and is required to maintain the New Fund till 31 August 2020 in order to receive HKD200 Cash Rebate:

Example	Average Daily TRB as of April 2020	Average Daily TRB as of July 2020	Average Daily TRB as of August 2020	Cash Rebate
1	HKD0	HKD100,000	HKD100,000	HKD200
2	HKD0	HKD200,000	HKD100,000	HKD200
3	HKD0	HKD100,000	HKD50,000	Not eligible
4	HKD0	HKD50,000	HKD100,000	Not eligible

- Each Eligible Customer can only enjoy the New Fund Offer for once.

Risk Disclosure

Unit Trusts

- In the worst case scenario, the value of the funds may be worth substantially less than the original amount you invested (and in an extreme case could be worth nothing).
- Funds which are invested in certain markets and companies (e.g. emerging, commodity markets and smaller companies etc.) may also involve a higher degree of risk and are usually more sensitive to price movements.
- Credit Risk/Interest Rate Risk – a fund that invests in fixed income securities may fall in value if interest rates change, and is subject to the credit risk that issuers may not make payments on such securities. Price of the fund may have a high volatility due to investment in financial derivative instruments and may involve a greater degree of risk than in the case with conventional securities.
- Counterparty Risk – a fund will be exposed to credit risk on the counterparties with which it trades in relation to financial derivative instrument contracts that are not traded on a recognised exchange. Such instruments are not afforded the same protections as may apply to participants trading financial derivative instruments on organised exchanges, such as the performance guarantee of an exchange clearing house. A fund will be subject to the possibility of insolvency, bankruptcy or default of a counterparty with which a fund trades such instruments, which could result in substantial loss to a fund.

Bonds and Certificates of Deposit ("CDs")

- Bonds/CDs are mainly medium to long term fixed income products, not for short term speculation. You should be prepared to hold your funds in bonds/CD for the full tenor. You could lose part or all of your principal if you choose to sell your bonds/CDs prior to maturity.
- Indicative prices of bonds/CDs are available and the bonds/CDs price do fluctuate with market changes. Factors affecting market price of bonds/CDs include, and are not limited to, fluctuations in interest rates, credit spreads, and Liquidity Premiums. The fluctuation in yield generally has a greater effect on prices of longer tenor bonds/CDs. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling bonds/CDs.
- It is the issuer to pay interest and repay principal of bonds/CDs. If the issuer defaults, the holder of bonds/CDs may not be able to receive back the interest and principal. The holder of bonds/CDs bears the credit risk of the issuer and has no recourse to the Bank unless the Bank is the issuer itself.
- If you wish to sell Bonds/CDs, HSBC may repurchase them based on the prevailing market price under normal market circumstances, but the selling price may differ from the original buying price due to changes in market conditions.
- There may be exchange rate risks if you choose to convert payments made on the bond/CDs to your home currency.
- The secondary market for bonds/CDs may not provide significant liquidity or may trade at prices based on the prevailing market conditions and may not be in line with the expectations of holders of bonds/CDs.
- If bonds/CDs are early redeemed, you may not be able to enjoy the same rates of return when you use the funds to purchase other products.

Deposit Plus (DPS)

- Deposit Plus NOT equivalent to, nor should it be treated as a substitute for, time deposit. It is NOT a protected deposit and is NOT protected by the Deposit Protection Scheme in Hong Kong.
- Derivatives risk – Deposit Plus is embedded with FX option(s). Option transactions involve risks, especially when selling an option. Although the premium received from selling an option is taxed, you may sustain a loss well in excess of such premium amount, and your loss could be substantial.
- Limited potential gain – The maximum potential gain is limited to the interest on the deposit.
- Maximum potential loss – Deposit Plus is not principal protected. You must be prepared to incur loss as a result of depreciation in the value of the currency paid (if the deposit is converted to the linked currency at maturity). Such loss may offset the interest earned on the deposit and may even result in losses in the principal amount of the deposit.
- Not the same as buying the linked currency – Investing in Deposit Plus is not the same as buying the linked currency directly.
- Risk/Net risk – The net return of Deposit Plus will depend upon the exchange rate of deposit currency against the linked currency prevailing at the deposit fixing time on the fixing date. Movements in exchange rates can be unpredictable, sudden and drastic, and affected by complex political and economic factors.
- Liquidity risk – Deposit Plus is designed to be held until maturity. You do not have a right to redemption early request of this product prior to maturity. Under special circumstances, the Bank will have the right to accept your early redemption request at its sole discretion and on a case by case basis. The Bank will provide an indication of the redemption price upon such request. Your return upon such early redemption will likely be lower than that if the deposit were held until maturity and may be negative.
- Credit risk of the Bank – Deposit Plus is not secured by any collateral. When you invest in this product, you will be relying on the Bank's creditworthiness. If the Bank becomes insolvent or defaults on its obligations under this product, you may claim as an unsecured creditor of the Bank. In the worst case, you could suffer a total loss of your deposit amount.
- Currency risk – If the deposit currency and/or linked currency is not your home currency, and you choose to convert it back to your home currency upon maturity, you may make a gain or loss due to exchange rate fluctuations.
- Risks relating to RMB – You should note that the value of RMB against other foreign currencies fluctuates and will be affected by, amongst other things, the PRC government's control (for example, the PRC government regulates conversion between RMB and foreign currencies), which may adversely