

2 Year Pivot Target Profit Forward with European Knock-In on USDJPY

This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it.

Product Description

This Strategy is linked to the performance of USDJPY (the "Currency Pair") during the tenure of the Strategy.

On each monthly fixing date, should the USDJPY foreign exchange rate (the " USDJPY Fix") be:-

- (i) less than the pre-determined Pivot (the "Pivot") AND
 - a. Greater than or equal to the pre-determined Lower Strike (the "Lower Strike"), the counterparty will be paid an amount equal to USD 1,000,000 multiplied by the difference between the USDJPY Fix and the Lower Strike divided by USDJPY Fix; or
 - b. Less than the Lower Strike, but Greater than or equal to the Lower Barrier, there is no settlement
 - c. Less than the Lower Barrier the counterparty shall pay an amount equal to USD 2,000,000 multiplied by the difference between the Lower Strike and the USDJPY Fix divided by USDJPY Fix; OR
- (ii) greater than or equal to the Pivot AND
 - d. Less than or equal to the pre-determined Upper Strike (the "Upper Strike"), the counterparty shall receive an amount equal to USD 1,000,000 multiplied by the difference between the Upper Strike and the USDJPY Fix divided by USDJPY Fix; OR
 - e. Greater than the Upper Strike, but Less than or equal to the Upper Barrier, there is no settlement
 - f. Greater than the Upper Barrier, the counterparty shall pay an amount equal to USD 2,000,000 multiplied by the difference between the USDJPY Fix and the Upper Strike divided by USDJPY Fix;

so long as the Target Profit Condition is not met.

Should the Target Profit Condition be deemed to be met under the terms and conditions of the Strategy, the Strategy shall terminate.

The Target Profit Condition will be deemed to be met if

Sum of (i) $\text{Max} [0, (\text{USDJPY_Fix} - \text{Lower Strike})]$ if $\text{Fix} < \text{Pivot}$

and (ii) $\text{Max} [0, (\text{Upper Strike} - \text{USDJPY_Fix})]$ if $\text{Fix} \geq \text{Pivot}$

\geq Target Profit

If, on any Fixing Date, the Target Profit Condition is achieved, all Monthly Exchanges, **excluding** the current corresponding exchange, will cease with immediate effect.

If the Target Profit Condition is achieved, the cashflow on the current corresponding exchange is adjusted to pay up to the Target Profit.

i.e. CP receives (in USD), an amount equivalent to $1,000,000 \times \text{TP_Adj} / \text{USDJPY_Fix}$
where $\text{TP_Adj} = \text{Target Profit} - [\text{Sum of (i) Max} [0, (\text{USDJPY_Fix} - \text{Lower Strike})] \text{ if } \text{Fix} < \text{Pivot} \text{ and (ii) Max} [0, (\text{Upper Strike} - \text{USDJPY_Fix})] \text{ if } \text{Fix} \geq \text{Pivot}]$, as computed at previous Fixing Date

Benefits

- If the USDJPY Fix on each of the monthly fixing dates is consistently within the predetermined ranges where you will be paid, you will receive the amounts until the Target Profit Condition is met.

Risks

- As long as the Target Profit Condition is not met, should the monthly fixing move against you, you may suffer a loss.
- You are not entitled to terminate the transaction without our consent (which shall be given or withheld at our sole and absolute discretion).

This is a structured product which involves derivatives. Do not invest in it unless you fully understand and are willing to assume the risks associated with it. If you are in any doubt about the risks involved in the product, you may clarify with the intermediary or seek independent professional advice.

