Important Facts

[*Issuer/Bank's name & logo*] **[*Product name & type*]**
[Issuer/Bank][1] **[*Date*]**

This is a structured investment product[2] which is NOT protected by the Deposit Protection Scheme in Hong Kong.

***[This product is NOT principal protected.]**[3]*

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

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

This is a structured investment product involving derivatives. The investment decision is yours but you should not invest in this product 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.

Quick facts

[Issuer/Bank]:	[*Name*], [*insert branch*]
Product type:	**Interest rate-linked** [*instrument type, e.g. deposit*]
Minimum [deposit/ investment]:	[HKD][●] (or its equivalent)
Tenor:	[●] – [●]
[Available] [[D/d]eposit/[I/i]nvestment]] currency:	[●]
[Coupon rate:	[●]% per annum (Actual coupon rate: [●])]
[Coupon period/ payment date:	[●]]
Principal protection at maturity:	[Yes/No]
Callable by the [Issuer/ Bank]:	[Yes/No] [*If yes, when earliest*]
Early termination right by the customer:	[Yes/No] [*If yes, under what situations*]
Embedded derivatives:	[Yes/No] [*If yes, insert the type of embedded derivatives e.g. customer selling an interest rate option*]
Maximum potential gain:	[●]% [of deposit/investment amount]
Maximum potential loss:	[●]% [of deposit/investment amount]

What is this product and how does it work?

[*Briefly describe the nature of the product (e.g. This is a structured investment product that consists of a time deposit (in the deposit currency) and selling an interest rate option) and how it works, in particular the situations under which investors will make gains/incur losses (with reference to the scenario analysis below)*]

1 [*'Bank' to be used for deposits*]
2 Interest rate-linked instruments are not "structured investment products" for the purposes of the Code of Unlisted Structured Investment Products (SIP Code) of the Securities and Futures Commission (SFC) and the SIP Code does not apply to interest rate-linked instruments.
3 *[Applicable if the product is non-principal protected]*

What are the key risks?

[*Describe the key risks of the product. The following should be covered as a minimum if applicable:*

- **Not a time deposit** – [*Product name*] is 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** – [*Please elaborate as appropriate, e.g. [Product name] is embedded with interest rate option(s). Option transactions involve risks, especially when selling an option. Although the premium received from selling an option is fixed, 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 [●].

- **[Maximum potential loss – [*Product name*] is not principal protected: you could lose all of your [deposit/investment] amount.** [*Otherwise please explain the worst case scenario*]**]**[3]

- **[Principal protection at maturity only** – The principal protection feature is only applicable if this product is held to maturity. [*Please explain the circumstances whereby there is no principal protection, e.g. if this product is early terminated*]**]**[4]

- **Market risk** – [*Please elaborate as appropriate, e.g. The return of [product name] is linked to the interest rate movements which can be unexpected, sudden and drastic. Movements in interest rates can be affected by complex political and economic factors.*]

- **Liquidity risk** – [*Product name*] is designed to be held till maturity. [The [Issuer/Bank] may at its absolute discretion refuse to consent to any withdrawal request before maturity / You do not have a right to request early termination of this product before maturity.]

- **Credit risk of the [Issuer/Bank]** – [[*Product name*] is not secured by any collateral.] When you invest in this product, you will be relying on the [Issuer/ Bank]'s creditworthiness. If the [Issuer/Bank] becomes insolvent or defaults on its obligations under this product, [you can only claim as an unsecured creditor of the [Issuer/Bank].] In the worst case, you could suffer a total loss of your [deposit/investment] amount.

- **Currency risk** – [*Please elaborate as appropriate, e.g. If the [deposit/investment] is not in 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.*]

- [*Please specify any risk for early termination:* [*For example*: **Risks of early termination by the [Issuer/ Bank]** – the [Issuer/Bank] has the right (but not the obligation) to terminate this product early upon occurrence of certain events. If this product is terminated by the Bank early, you may suffer a substantial loss under this product. [See "Can the [Issuer/ Bank] adjust the terms or early terminate this product?" below]]]

- [*Please specify any risks in relation to deposit/ investment currency which is restricted currency. In particular, if the deposit/ investment currency is RMB, please specify any RMB-related risks in accordance with the HKMA circular dated 16 September 2010:* [*For example:* **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 affect your return under this product when you convert RMB into your home currency. RMB is currently not freely convertible and conversion of RMB in Hong Kong is subject to certain restrictions. In particular, the conversion of RMB by an individual customer is subject to a daily limit. If you intend to convert an amount of RMB from/to another currency exceeding such daily limit, you should allow sufficient period for the conversion.]]]

What are the key features?

4 [*Applicable if the product is principal protected*]

[*Describe the features of the product (e.g. call feature, embedded options, tenor range, currency choice, whether early termination is allowed (describe how this works)), interest/ coupons (how and when it will be determined and the conditions for this to be achieved)*]

Scenario analysis

[*A default scenario, worst case scenario, middle-of-the road/ gain scenario and best case scenario (for a product with a capped potential return)* ***[Note: Only a gain scenario (rather than the best case scenario) can be shown if the potential return of the product is unlimited]*** *should be covered. Use of example to illustrate the scenarios is encouraged*]

Scenario [x]: Best case scenario
[insert illustration]

Scenario [x]: Middle-of-the-road/ gain scenario
[insert illustration]

Scenario [x]: Worst case scenario
[insert illustration]

Scenario [x]: The [Issuer/ Bank] becomes insolvent or defaults on its obligations

Assuming that the [Issuer/Bank] becomes insolvent during the tenor of this product or defaults on its obligations under this product, you can only claim as its unsecured creditor. You may get nothing back and suffer a total loss of your [deposit/investment] amount.

How can you buy this product?

- [You can purchase this product by visiting any of our branches, internet banking, or by calling us on [*insert phone no*].]
- [Choose the [deposit/investment] currency and the tenor. We will then quote the interest rate which is fixed when you place an order for this product.]

Fees and charges

[*This section is only applicable if there are explicit fees and charges associated with this product*]

Can you request for early termination before maturity?

[*This section is only applicable if early termination by customer is allowed - describe the frequency and how the investor can obtain the indicative termination price and the arrangement on early termination. It should be stated clearly that the indicative price quoted by the Issuer/Bank is not binding and may not reflect the final termination price*]

[The final termination price offered by the [Issuer/Bank] may be substantially less than your [deposit/investment] amount.]

Pre-Investment Cooling-off Period for retail customers

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

(1) An elderly customer aged 65 or above unless you are not a first-time buyer of interest rate-linked structured investment products AND your asset concentration[5] is below 20% AND you opt out from the PICOP arrangement; or

(2) A non-elderly customer who is a first time buyer of interest rate-linked structured investment products AND your asset concentration is 20% or above.

Can the [Issuer/Bank] adjust the terms or early terminate this product?

[*Insert description of key events that may trigger adjustment to, or early termination of, this product, such as imposition of exchange controls, events of default, or other events*]

[Such adjustments or early termination events may negatively affect your return or loss under this product.]

Offering documents for this product

[The following documents for this product ("**Offering Documents**") contain detailed information about the [Issuer/Bank] and the terms of this product. You should read and understand all of the Offering Documents before deciding whether to invest in this product:

[Insert the disclosure documents for this product]]

Additional information

[*Insert any other additional important information*]

[***Guidance notes for completing this statement:***

- The Important Facts Statement (IFS) can be a standalone document. It can also be part of the product brochure / marketing materials.

- There is a very broad spectrum of interest rate-linked instruments. Depending on the actual circumstances of the product, the contents in this statement may differ. The actual IFS for each product must be specific enough to bring out the key features, risks and investment objective of that product in a clear and concise manner. Nevertheless, the headings set out in the template are generally expected to be observed unless there are good reasons to do otherwise. Words inside the square brackets in the template are drafting notes. They should be construed as examples rather than suggestions, and are not meant to be exclusive or prescriptive. Issuers/Banks are responsible for what is, and what is not, to be included in this statement.

- Issuers/Banks may state the headlines in the IFS with cross reference to the main text of the offering documents if a detailed explanation in the IFS will make it too lengthy.

- This statement should be visually reader-friendly, written in plain language so that investors can easily read and understand it. Use of technical jargon or complex sentences shall be avoided. Information should be presented in a font that is easy to read and highly legible. The font size adopted should also be reasonably legible taking into account the language used.

- Use of examples (e.g. under scenario analysis), graphs and charts is generally encouraged to illustrate the product structure and features.]

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