

Based on Graph 1:

Case 1 and Case 2 AUD/USD Spot Rate below agreed Strike Rate at the Decision Time	Case 3 AUD/USD Spot Rate equal to or above agreed Strike Rate at the Decision Time
The Proceeds you will receive on the Maturity Date on 1 November in the Base Currency will be AUD 101,135.53.	The Proceeds you will receive on the Maturity Date on 1 November in the Alternate Currency will be USD 80,089.23.
Investment Amount (IA): AUD 100,000	Investment Amount (IA): AUD 101,135.53 converted to USD at 0.7919
Return (R): AUD 1,135.53 (100,000 x 13.37% x 31 / 365)	Return (R): AUD 101,135.53 x 0.7919
Total (IA+R): AUD 101,135.53	Total (IA+R): = USD 80,089.23

In Case 3, the Proceeds have been converted to the Alternate Currency at the Strike Rate (i.e 0.7919). If you wish to convert your Proceeds back to the Base Currency, you might receive less than your Investment Amount when the exchange rate for this Currency Pair remains above the Strike Rate at the time of re-conversion back to AUD.

If you received the Alternate Currency on the Maturity Date and the market exchange rate on the day you planned to convert back to the Base Currency was AUD/USD 0.8038, the Proceeds in Australian Dollars will be:

$$\text{USD } 80,089.23 / 0.8038 = \text{AUD } 99,638.26$$

(AUD 361.74 Loss)

This example highlights that you might receive less than your Investment Amount when the exchange rate of the Currency Pair remains above the Strike Rate at the time of re-conversion back to the Base Currency.

Risks

This Investment should be considered a risky investment and by investing, you are speculating on the future movement of the exchange rate of your Currency Pair. Although the Investment Rate is fixed for the Investment Term, you should be aware that:

- The Proceeds of your Investment may be paid in the Alternate Currency and not the Base Currency of your Investment.
- If you are paid in the Alternate Currency on the Maturity Date and the Base Currency continues to strengthen against the Alternate Currency so that the exchange rate continues to trade beyond the Strike Rate, you will incur a loss if you convert the Proceeds back into the Base Currency. This loss may be greater than the Return earned on the Investment. The risk of adverse movements in the exchange rate of your Currency Pair is significant.

You should carefully consider the range of risks as well as other information and read the Product Disclosure Statement before deciding whether this investment is suitable for you.

Apply now

Applying is easy. Simply:

- ▶ call our Dual Currency Investment team on **1300 753 892**
- ▶ Visit **hsbc.com.au/dci**
- ▶ Visit your local **HSBC branch**



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The information in this brochure does not take into account what you currently have, want or need for your financial future. You should consider these matters and read the Product Disclosure Statement (PDS) before you make an investment decision. A copy of the PDS is available at www.hsbc.com.au/dci, by visiting a branch or calling 1300 753 892. Capitalised terms used in this document have the meaning given to them in the Dual Currency Investment PDS. Issued by HSBC Bank Australia Limited ABN 48 006 434 162 AFSL No. 232595 **HSBC01291 (R1) 04/11**

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Dual Currency Investment with HSBC.

HSBC's Dual Currency Investment provides the opportunity to achieve a higher return through exposure to foreign exchange markets.

What is a Dual Currency Investment?

A Dual Currency Investment is an investment linked to foreign exchange markets. It provides you with an opportunity to create an investment strategy to match your personal preferences while potentially achieving a higher Investment Rate than HSBC term deposits* of a similar term.

Features and Benefits

Potentially higher returns
Depending on the exchange rate applied on the Maturity Date, you may receive an Investment Rate that is generally higher than interest rates offered on term deposits* of a similar term.
Flexibility
<ul style="list-style-type: none"> Select from 13 different pairs. Choose Investment Parameters that match your risk preference. Choose from Investment terms ranging from 1 week to 12 months. Minimum investment amount of USD 50,000 or equivalent in another eligible currency.
Diversification
You may achieve diversification from a portfolio of foreign currencies, by choosing different Investment Parameters and different combinations of currencies.

*There may be circumstances where term deposit rates offered by HSBC may be higher than the Investment Rate derived from the Investment Parameters selected at the time of booking the Investment.

How does the Investment work?

The Dual Currency Investment provides you with the flexibility to tailor an investment, by selecting the parameters that best meet your requirements.

You earn a fixed return over the Investment Term. HSBC will determine whether your Proceeds (Investment Amount plus Return) will be paid in either the currency of your initial investment (Base Currency) or the Alternate Currency.

Prerequisites

You must complete an application form and have accounts with HSBC in the Base Currency and Alternate Currency. There are 4 steps to setting up your Dual Currency Investment:

Step 1.

Choose a pair of currencies from our range of Currency Pairs. One will be your Base Currency and the other will be your Alternate Currency.

Step 2.

Decide your Investment Amount and which currency you would like to place your initial investment in. This will be your Base Currency.

Step 3.

Choose your Investment Term, from 1 week to 12 months.

Step 4.

Agree on a Strike Rate for your Currency Pair.

Once these four steps have been completed, HSBC will provide you with an Investment Rate quote applicable for your Investment Parameters.

Two (2) business days before the Maturity Date, HSBC will determine whether your Proceeds will be paid to you in the Base Currency or Alternate Currency.

A comparison of the Strike Rate against the exchange rate of your Currency Pair at the Decision Time will determine whether you will be paid the Proceeds in either the Base Currency or the Alternate Currency (converted at the Strike Rate).

If the Base Currency has strengthened against the Alternate Currency so that it is equal to, or has moved beyond the Strike Rate at the Decision Time, HSBC will ordinarily convert your Proceeds to the Alternate Currency at the Strike Rate. In any other case, your Proceeds will be paid to you in the Base Currency on the Maturity Date.

An example of a Dual Currency Investment

On 1 October you invest 100,000 Australian Dollars in a Dual Currency Investment for a period of one month, with the following parameters:

Step 1

Base Currency: AUD
Alternate Currency: USD
Currency Pair: AUD/USD

Step 2

Investment Amount: AUD 100,000

Step 3

Investment Term: 31 calendar days
Start Date: 1 October
Maturity Date: 1 November

Step 4

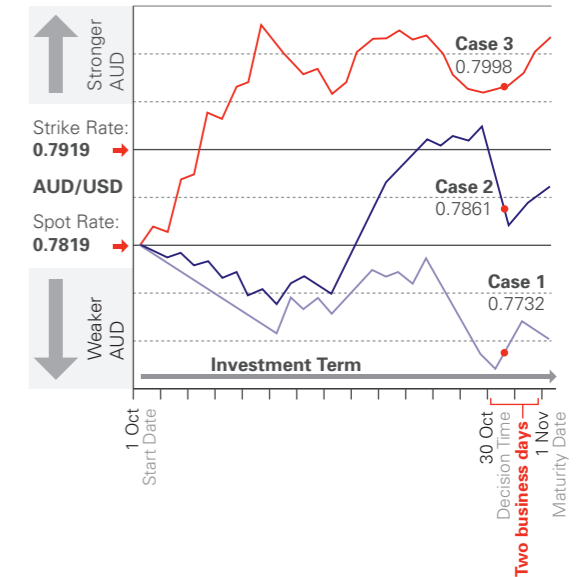
Strike Rate: 0.7919

The exchange rate at the time of booking the Investment (Spot Rate) was 0.7819 and the applicable Investment Rate was 13.37% per annum.

The date and time at which the AUD/USD exchange rate is compared with the Strike Rate is 30 October at 3:00pm (Tokyo time). This is called the Decision Time and is 2 business days before the Maturity Date.

Graph 1

Base Currency: AUD
Investment Amount: AUD 100,000



The above example is used to explain which currency your Proceeds will be paid in. It is not intended to be indicative of the past or future performance of any exchange rate or the Dual Currency Investment or any Investment Rate HSBC will offer. The rates used are not indicative of current or expected exchange rates or Investment Rates.