

**John has some idled Australian Dollars left from his last trip and would like to convert back to Hong Kong Dollars.**

He thinks Australian Dollar against Hong Kong Dollar will remain stable in the next 2 weeks.

If you were John, what would you do?

Would you exchange the currency right away, or place a Deposit Plus to get a chance for a better-than-initial spot conversion rate and potentially earn some extra interest as alternative?

If you exchange AUD 1,500 at the spot rate of 4.62, you will immediately receive HKD 6,930.00.

Do we have a better alternative?

Let's see how Deposit Plus could help.

When Australian Dollar depreciated or remain stable as per your expectation against Hong Kong Dollar at or below conversion rate, you will receive Principal and Interest in Deposit Currency, that is, Australian Dollar.

When Australian Dollar appreciated against Hong Kong Dollar above conversion rate, you will receive Principal and Interest in Linked Currency, that is, Hong Kong Dollar at the conversion rate, which is higher than the day 1 spot rate.

So in either case, no matter if Australian Dollar appreciates or depreciates against Hong Kong Dollar, you will still get back the principal and receive the Interest.

Looking further into details, say if you place AUD 1,500 Deposit Plus linked with Hong Kong Dollar with conversion rate of 4.64 and 13% per annum interest rate for 14 days.

At maturity, when Australian Dollar depreciated against Hong Kong Dollar at/or below conversion rate say 4.61, you will receive AUD 1,500 with AUD 7.58 interest. Convert it with fixing rate, you could receive HKD 6,949.94.

At maturity, when Australian Dollar appreciated against Hong Kong Dollar above conversion rate, say 4.65, then you will receive Principal and Interest in Hong Kong Dollar with the conversion rate 4.64, that is, HKD 6,995.17.

Compare with exchanging right away on day 1 with spot rate 4.62, which you could only receive HKD 6,930.00 you would be better off with a Deposit Plus placed to potentially earn some extra interest while waiting to exchange money.

Deposit Plus serves as an alternative to currency exchange with potential interest.

However, in worst case scenario, when Australian Dollar appreciated against Hong Kong Dollar above conversion rate considerably at 9.28 on fixing day, the HKD 6,995.17 you received could worth AUD 753.79 if converting back to Australian Dollar with fixing rate. You could suffer a loss as a result of depreciation in the value of the currency paid if the deposit is converted to the

linked currency at maturity. The value of which may be worth substantially less than the original amount you invested and in the extreme case could be worth nothing.

We are your banking partner now and for the future, offering an alternative way of converting currencies with potential interest for all your foreign exchange needs.

Please contact us today for further information.