



Currency Switching Service

Flexible Choices for Your Fixed Time Deposit

Offering you a flexible choice to switch your time deposit from one currency to another for unlimited times before maturity, Currency Switching service lets you benefit from the favorable FX buying and selling.

Smart Switching Brings Potential Wealth Growth

- Seize favorable FX buying and selling opportunities during the deposit period without losing the interest income from time deposits
- Hedge against the depreciation of time deposits as a result of currency fluctuation
- Lock in the currency gains before your time deposit matures

Multiple Options and Benefits

- 10 currencies available (USD, GBP, JPY, EUR, CHF, AUD, CAD, NZD, CNH and HKD)
- Minimum transaction amount at USD 30,000 or equivalent
- Unlimited FX forward transactions within deposit period (12 months or below)
- No commission or handling charges
- Principal and interest of the time deposit will be converted into final switched currency upon maturity at the pre-agreed exchange rate

Example 1: Gain Extra from Currency Switching

Mr. Wong placed a 1-month HKD time deposit of HKD 500,000. During the deposit period, he buys AUD at 5.75 and sells it at 5.8.

Time Deposit				
Deposit Amount	Deposit Start Date	Maturity Date	Interest Rate (p.a.)	Principal & Interest on Maturity Date
HKD 500,000	July 6	August 5	0.1%	HKD 500,041.10
Currency Switching				
Forward Contract Start Date	Transaction Details	Agreed Forward Rate	Value Date	
July 8	Sell HKD 500,041.10 Buy AUD 86,963.67	5.75	August 5	
July 15	Sell AUD 86,963.67 Buy HKD 504,389.29	5.8	August 5	
Extra Gain : HKD 504,389.29 - HKD 500,041.10 = HKD 4,348.19				



Example 2: Secure Return through Currency Switching

Mr. Wong wants a better interest returns with AUD. He converts HKD 575,000 to AUD 100,000 at AUD/HKD 5.75 and sets up a 1-month AUD time deposit. He plans to convert the AUD deposit back to HKD on maturity.

Time Deposit				
Deposit Amount	Deposit Start Date	Maturity Date	Interest Rate (p.a.)	Principal & Interest on Maturity Date
AUD 100,000	July 6	August 5	1.9%	AUD 100,158.33
Currency Switching				
Forward Contract Start Date	Transaction Details	Agreed Forward Rate	Value Date	
July 15	Sell AUD 100,158.33 Buy HKD 580,918.31	5.8	August 5	
Without Currency Switching				
Maturity Date (Convert AUD into HKD)	Transaction Details		Spot Rate	
August 5	Sell AUD 100,158.33 Buy HKD 576,911.98		5.76	
Extra Gain : HKD 580,918.31 - HKD 576,911.98 = HKD 4,006.33				

Example 3: Understand the Risk in Currency Switching

Mr. Wong has a 3-month HKD time deposit of HKD 500,000. During the deposit period, he intends to take advantage from the ups and downs of a series of foreign currencies. Eventually, the market does not go the way he anticipated and thus he suffers a loss.

Time Deposit				
Deposit Amount	Deposit Start Date	Maturity Date	Interest Rate (p.a.)	Principal & Interest on Maturity Date
HKD 500,000	July 10	October 9	0.5%	HKD 500,623.29
Currency Switching				
Forward Contract Start Date	Transaction Details	Agreed Forward Rate	Value Date	
July 15	Sell HKD 500,623.29 Buy EUR 58,689.72	8.53	October 9	
July 22	Sell EUR 58,689.72 Buy USD 64,265.24	1.095	October 9	
July 29	Sell USD 64,265.24 Buy Yen 7,017,764	109.2	October 9	
August 5	Sell Yen 7,017,764 Buy HKD 498,261.24	0.071	October 9	
(Loss) : HKD 498,261.24 - HKD 500,623.29 = (HKD 2,362.05)				



Notes:

- The above examples are for illustrations only and should not be used as an indication of historical trends or further performance.
- The HKD interest amount is calculated at the relevant interest rate on the basis of the actual number of days elapsed in an interest period and a 365-day year.
- The AUD interest amount is calculated at the relevant interest rate on the basis of the actual number of days elapsed in an interest period and a 360-day year.

Risk Disclosure:

- Currency exchange rates are affected by a wide range of factors, including national and international financial and economic conditions, political and natural events. The effect of normal market forces may at times be countered by intervention by central banks and other bodies. At times, exchange rates, and prices linked to such rates, may rise or fall rapidly. If you have any concerns about this product, you should consult your professional financial advisers.
- Exchange controls or other monetary measures may be imposed by a government, sometimes with little or no warning. Such measures may have a significant effect on the convertibility or transferability of a currency and may have unexpected consequences for a FX Forward Transaction that the customer is holding.
- Currency Switching Service is an investment. The investment decision is yours but you should not invest in Currency Switching Service 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.
- This product is not principal protected.
- Currency Switching Service is NOT equivalent to a time deposit. It is NOT protected under the Hong Kong Deposit Protection Scheme and the repayment of Currency Switching Service is not guaranteed by the Hong Kong SAR Government's Exchange Fund. Customers' added Time Deposit Account(s) for Currency Switching Services is (are) deposit(s) qualified for protection by the Deposit Protection Scheme in Hong Kong.
- FX Forward contract under Currency Switching Service is not approved or governed by any rules or regulations in Hong Kong.
- If the final switched 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. In some cases, even if you receive the interest of the deposit, if the final switched currency depreciates against your home currency, you may still suffer a loss if you convert it back to your home currency upon maturity.
- RMB is subject to the PRC government's control (for example, exchange restrictions). Besides, there is no guarantee that RMB will not depreciate. If customers convert HKD or any other currency into RMB so as to invest in RMB denominated investment products and subsequently convert the RMB redemption proceeds back into HKD or any other currency, customers may suffer a loss if RMB depreciates against HKD or other currency.

Additional Information

- China Construction Bank (Asia) Corporation Limited ('the Bank') is acting as a principal in the transactions for the provision of Currency Switching Service.
- The Bank and its associates may act in various capacities or functions for the provision of Currency Switching Service.
- The Bank or any of its associates will benefit from the transactions entered into by the Bank or any of its associates for the provision of Currency Switching Service. Please note that the Bank or its associate is entitled to retain such benefit.

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