

Standard Bank Isle of Man Limited and  
Standard Bank Jersey Limited  
**Structured Product**



# Deposit PLUS

## **Issue 3**

Security & Growth Potential

Recent  
international  
awards

# received by companies within the Standard Bank Offshore Group

## International Fund and Product Awards – 2015

Winner - Best International Structured Products Provider



## International Fund and Product Awards – 2014

Winner - Best International Structured Products Provider

Winner - Best International Banking Service



## International Fund and Product Awards – 2013

Winner - Best International Structured Products Provider

Winner - Best International Banking Service



# What does / **Deposit PLUS Issue 3 offer?**

- A five year and one week deposit term with a minimum return payable if held until the Maturity Date
- Capital protection\*
- Stock market linked growth potential

## **How does Deposit PLUS Issue 3 work?**

### *Return linked to a proportion of stock market growth*

The return is linked to the Market Performance over the Term. On the Maturity Date, you will receive back your deposit plus a proportion of the Market Performance of your Market Choice, subject to a Minimum Return as indicated below. There is no cap on the Market Performance used to calculate your potential return. Your return is based on the growth in your Market Choice:

- Sterling deposits, linked to the performance of the S&P Europe 350 Low Volatility Index
- US dollar deposits, linked to the performance of the S&P 500 Low Volatility Index

### *Minimum return feature*

On the Maturity Date, Deposit PLUS Issue 3 provides a Minimum Return of 5.0% (0.98% AER) on your Sterling and US dollar deposit. Subject to you retaining your deposit for the Term until the Maturity Date, you will be entitled to receive your original deposit together with an additional return which will be the greater of the Minimum Return of 5.0% (0.98% AER) or the Market Linked Return.

Please see page 4 for product features and definitions.

## **How your return is calculated**

1. The Start Level is recorded as the closing level of the Index for your Market Choice on the Start Date
2. The End Level is calculated using the 13 closing levels of the Index for your Market Choice over the final 12 months of the Term on the 27th day of each month. The last closing level is on the End Date. Where the 27th day of the month is not a business day, the closing level of the Index for your Market Choice from the following business day will be used. The average of these 13 closing levels is the End Level
3. The percentage change from the Start Level to the End Level is the Market Performance
4. The Market Linked Return is calculated as the Market Performance multiplied by 60%
5. Your return on the Maturity Date is calculated as your deposit amount multiplied by the greater of either:
  - 5.0% (0.98% AER) or
  - the Market Linked Return

## **Averaging**

Averaging of the 13 closing levels to calculate the End Level as described above has the effect of smoothing out volatility. If your Market Choice declines over the final 12 months of the Term, averaging is likely to produce a higher return than a return if no averaging applied. If your Market Choice rises over the final 12 months of the Term, averaging is likely to produce a lower return than a return if no averaging applied.

\* Capital protection refers to the product's design to repay your original deposit in full providing you retain your deposit to the Maturity Date. Monies deposited in Deposit PLUS Issue 3 will be held by Standard Bank Jersey Limited or Standard Bank Isle of Man Limited subject to the terms, conditions and risks set out in this brochure. See "Risks and other considerations" on page 5 for further details and an explanation of the limitations of the capital protection offered.

### S&P Europe 350 Low Volatility Index

Sterling deposits are linked to the performance of the S&P Europe 350 Low Volatility Index. This index measures the performance of the 100 least volatile stocks in the S&P Europe 350 Index, which is drawn from 17 major European markets.

### Five Year S&P Europe 350 Low Volatility Index performance (daily close)

(24 January 2011 to 22 January 2016)



Source: Bloomberg

Past performance is not an indicator of future performance

### S&P 500 Low Volatility Index

US dollar deposits are linked to the performance of the S&P 500 Low Volatility Index. This index is designed to measure the performance of the 100 least volatile stocks of the S&P 500 Index. The S&P 500 Index represents the performance of the 500 largest companies by market capitalisation traded on a variety of stock exchanges in the USA.

### Five year S&P 500 Low Volatility Index performance (daily close)

(24 January 2011 to 22 January 2016)



Source: Bloomberg

Past performance is not an indicator of future performance

## Product features and definitions

	Market Choice	Currency	Index	Market Linked Return	Minimum Return*
Deposit Choice	Europe	Sterling	S&P Europe 350 Low Volatility Index	60% of the Market Performance	5.0% (0.98% AER)
	USA	US dollar	S&P 500 Low Volatility Index	60% of the Market Performance	5.0% (0.98% AER)
Term	Five years from Start Date to End Date				
Start Date	27 May 2016, which is the start of the period for measuring Market Performance				
End Date	27 May 2021, which is the end of the period for measuring Market Performance				
Maturity Date	3 June 2021, which is the date your original capital deposited and your return, will be paid to you				
Start Level	Closing level of the Index for your Market Choice on the Start Date				
End Level	Average of the closing levels of the Index for your Market Choice over the final 12 months of the Term, including the closing level on the End Date (that is, the average of 13 closing levels)				
Market Performance	Greater of zero or $(\text{End Level} - \text{Start Level}) / \text{Start Level}$ (Capital protection applies even if Market Performance is negative)				

\* Your return will be equal to the greater of the Market Linked Return or the Minimum Return if held until the Maturity Date.

### An example of what you could get back

If you deposit £40,000 in Deposit PLUS Issue 3, then £40,000 will be placed in an equity linked deposit.

On the Maturity Date, you will receive back your original amount of £40,000 deposited. You will also receive back at least a Minimum Return of 5.0% (0.98% AER). Should the Market Linked Return exceed the Minimum Return you will receive the Market Linked Return.

Your return on the Maturity Date over and above your original deposit is the greater of the Market Linked Return and the Minimum Return.

The table below shows potential returns based on different performance scenarios.

#### *Sterling and US dollar deposits*

US dollar examples work in the same way as this Sterling example. Note that the potential returns shown in the table below are based on 60% of the Market Performance.

Market Performance	Initial Investment	Return	Maturity Proceeds	AER
+50%	£40,000	£12,000	£52,000	5.37%
0%	£40,000	£2,000	£42,000	0.98%
-50%	£40,000	£2,000	£42,000	0.98%

### Fees and charges

If, at our discretion, we agree to you withdrawing your deposit prior to the Maturity Date, an administration fee may be charged (maximum amount of £250) per deposit (refer to page 7 of this brochure for further details). Financial advisors have their own terms and conditions. The relevant Standard Bank Offshore entity or Standard Bank of South Africa Limited, as appropriate, may pay commission and incentives of up to 2.5% to your financial advisor and fees of up to 0.5% to other relevant intermediary platforms and service providers. However, these costs are already taken into account in the overall returns stated in this brochure. It is the obligation of any third party to advise you of any additional fees and charges which are applicable.

### Risks and other considerations

#### *Currencies and minimum deposits*

Deposit PLUS Issue 3 is available in two currencies. The minimum deposit amount depends on your deposit currency:

- £10,000
- US\$15,000

#### *Capital protection*

The use of the word “protection” or “security” in relation to Deposit PLUS Issue 3 refers to the obligation of the relevant Standard Bank Offshore Entity, as applicable, to repay your original deposit in respect of your original deposit and the Minimum Return, where applicable, in full on the relevant Maturity Date. In the unlikely event that the Standard Bank Offshore Entity which holds your deposit becomes insolvent, repayment is not guaranteed by any other party, including any other member of the Standard Bank Group. This could result in the loss of any return, including the Minimum Return, Market Linked Return and your original deposit.

Standard Bank Group Limited have stated in their 2014 annual financial statements that the Standard Bank Group will ensure that, except in the case of political risk, the Standard Bank Offshore Entities are able to meet their contractual liabilities. Full details can be found in the latest financial results under the “Investor relations” section at [www.standardbank.co.za](http://www.standardbank.co.za) or are available upon request. The effectiveness of the statement can only be tested fully in the event that a claim is made under this commitment.

#### *Potential returns*

Unlike a direct investment in the stock market, Deposit PLUS Issue 3 does not pay dividends. If your Market Choice remains flat or rises between the Start Date and the End Date then your return may be less than it would have been had you invested directly in the stock market, as you will only receive a proportion of the Market Performance and the End Level used to calculate the Market Performance is subject to averaging over the final 12 months of the deposit Term. However, unlike a direct investment in a stock market, Deposit PLUS Issue 3 protects your investment against potential stock market losses.

#### *Currency conversion risk*

If your deposit currency for this product is different to the currency by which you measure your wealth (your base currency), you should be aware of the effect of currency fluctuations. When you convert your deposit currency back to your base currency after the relevant Maturity Date, the impact of currency fluctuations may be either unfavourable or favourable to the overall value of your wealth.

For example, if your deposit currency weakens relative to your base currency, your wealth measured in your base currency will decline and after the relevant Maturity Date you may receive back less when your proceeds are converted back into your base currency, than you originally deposited. Conversely, if your deposit currency strengthens relative to your base currency, your wealth measured in your base currency will be enhanced.

#### *Inflation risk*

If the rate of inflation for your deposit currency exceeds the gain provided by Deposit PLUS Issue 3, the real value measured in your deposit currency will reduce.

#### *Suitability*

Deposit PLUS Issue 3 presents a low risk of loss of some or all of a depositor’s capital when held to the Maturity Date.



This brochure does not represent advice or recommendations on the suitability of Deposit PLUS Issue 3 to you. The product may be suitable for clients who believe that the relevant Index will rise, but who seek capital protection on the terms available for this product if this proves not to be the case. You or your financial advisor, as appropriate, should conduct your own investigations into your Market Choice, and form your own views on the merits of a product linked to the performance of your Market Choice. You should not rely on any information given in this brochure when selecting your market. Please contact your financial advisor if you are unsure of the suitability of Deposit PLUS Issue 3 for your needs.

### *Term*

With Deposit PLUS Issue 3 you should be prepared to commit your deposit for five years and one week. Therefore you should ensure that you have sufficient funds available to cover your cash and other financial needs until the relevant Maturity Date. Unless otherwise required by contract or law, early encashment of any part or all of your deposit will not generally be permitted and is only allowed under exceptional circumstances at the discretion of the relevant Standard Bank Offshore Entity. See “Other important information” on page 14 for further details. If early encashment is permitted by the relevant Standard Bank Offshore Entity, such deposit may only be withdrawn in its entirety and is subject to the terms described below.

If the relevant Standard Bank Offshore Entity permits an early encashment, you may not receive back as much as you originally deposited, or receive any gain even if the Index to which your deposit Market Linked Return is linked to has risen. The amount you receive back in respect of your deposit will depend on the market value of assets held by the relevant Standard Bank Offshore Entity in respect of Deposit PLUS Issue 3. The market value of the assets will vary depending on prevailing market conditions and the time remaining to the End Date. In addition to this, the Standard Bank Offshore Entity which holds your deposit may charge an administration fee (maximum amount of £250). Full details are available on request.

