

**Product Fact Sheet (Pre-Contract Explanation Sheet) “Kangaroo Deposit”
4-Year JPY denominated Structured Deposit with Early Redemption Clause,
AUD Maturity Redemption Clause and Digital Coupon Feature**

(This is a “Pre-Contract Explanation Sheet” that is required
to be delivered pursuant to applicable laws and regulations.)

PLEASE READ THIS DOCUMENT CAREFULLY.

- Kangaroo Deposit (“the Deposit”) is a deposit whose applicable interest rate and early redemption will be decided by reference to the foreign exchange rate between Australian Dollar (“AUD”) and Japanese Yen (“JPY”) (such foreign exchange rate, “AUD/JPY Rate” as expressed in JPY amount per AUD). The interest rate applicable at the time of establishment of the Deposit may not be applicable until maturity.
- The Deposit is established in JPY; however, if the Deposit is not early redeemed but is redeemed at its maturity, it will be converted into AUD at the foreign exchange rate determined as of the time of its establishment, and will be redeemed in AUD. Accordingly, if the funds redeemed in AUD at its maturity are converted into JPY at the actual foreign exchange rate at the time of its maturity, there is a possibility that the JPY amount so converted is lower than the initial deposit amount (a risk of principal loss in terms of JPY).
- In principle, the Deposit may not be cancelled by the customer. If the Bank considers and accepts that cancelling the Deposit is unavoidable and agrees to the cancellation before maturity by the customer, the cancellation proceeds may fall substantially short of the principal amount of the Deposit.

【Early Redemption Clause and Applicable Interest Rate】

- The Deposit incorporates a special clause under which the Bank will determine whether or not to early redeem it before maturity by reference to the AUD/JPY Rate as of certain evaluation dates (the “Early Redemption Clause”); if the Deposit is early redeemed, interest on the Deposit will not be paid thereafter. Depending on the interest rates as at the time of early redemption of the Deposit, the aggregate of the return on the Deposit and the return on reinvestment may be less than the return on the time deposit of the same duration which can be established as at the time of establishment of the Deposit.
- If the Deposit is not early redeemed, the Bank will determine the interest rate of the Deposit applicable to each of the second and subsequent interest payments (interest of the period from the latest interest payment date to the relevant interest payment date) among the two interest rates prescribed at the time of contract, by reference to the AUD/JPY Rate as of the preceding Interest Rate Evaluation Date. There is a possibility that the lower interest rate of the two will

be continuously applicable after the first interest payment date until maturity; even in such event, the customer may not cancel the Deposit.

【Foreign Exchange Risk】

- The Deposit incorporates a special clause under which if the Deposit is not early redeemed but is redeemed at its maturity, the principal amount of the Deposit will be redeemed upon being converted into AUD at the foreign exchange rate determined at the time of establishment of the Deposit (the “AUD Maturity Redemption Clause”), and therefore the principal of the Deposit will be redeemed in AUD at its maturity. If such maturity redemption proceeds in AUD are converted into JPY at the actual foreign exchange rate as at the time of its maturity, there is a risk of principal loss in terms of JPY. Please note, further, that the duration of the Deposit is 4 years, and the risk will be relatively higher than the risk associated with the same type of deposit with shorter duration.
- Early redemption will take place if the AUD/JPY Rate as of the evaluation date is equal to, or higher than (i.e., AUD has strengthened against JPY beyond) a certain rate. In case of early redemption, the Deposit will be redeemed in the initial currency of the Deposit (JPY), and therefore the customer will not obtain the foreign exchange gains which can be enjoyed if the customer has established a deposit in AUD at the time of the establishment of the Deposit.

【Cancellation】

- In principle, the Deposit may not be cancelled by the customer after the establishment.
- If the Bank considers and accepts it unavoidable and agrees to the cancellation before maturity, the interest rate on the Deposit will be reduced to zero percent (0%). Further, the customer may be required to pay the Cancellation Damages calculated as per the Bank’s prescribed formula at anytime once the Deposit Application Period has finished, even before the Deposit Start Date (Deposit Date). As a result, the cancellation proceeds may fall substantially short of the principal amount of the Deposit.

【Fees】

- No transaction fees will be charged for the establishment of the Deposit; however, in order to exchange the matured AUD funds into JPY, the foreign exchange fees as prescribed by the Bank will be charged.

【Trade Name/Address】

The Hongkong and Shanghai Banking Corporation Limited
HSBC building, 11-1 Nihonbashi 3-chome, Chuo-ku, Tokyo

For any enquiry, please contact our branches or HSBC Premier Call Centre
(English 0120-777-268)

Product Name	Kangaroo Deposit 4-Year JPY denominated Structured Deposit with Early Redemption Clause, AUD Maturity Redemption Clause and Digital Coupon Feature
Deposit Currency	Japanese Yen (JPY)
Eligible Customer	An individual HSBC Premier customer who resides in Japan. (Limited only to customers to whom the Bank considers the Deposit is suitable in perspective of investment risk)
Brief Description of Product	<ul style="list-style-type: none"> ➤ The Deposit is a structured deposit with the Early Redemption Clause and the AUD Maturity Redemption Clause. ➤ By virtue of the Early Redemption Clause, the Deposit may be redeemed in JPY before the Maturity Date. <ul style="list-style-type: none"> • On each Early Redemption Evaluation Date, the Bank will decide whether or not to employ the Early Redemption Clause at its discretion. • In the shortest case, if the decision to employ the Early Redemption Clause shall be made on the first Early Redemption Evaluation Date, the Deposit will be redeemed after six months or one year from the Deposit Start Date (Deposit Date). <ul style="list-style-type: none"> * Please refer to the separate 'Confirmation of Risks/ Application Form' for details of Early Redemption Evaluation Dates. ➤ If the Early Redemption Clause is not employed, the Deposit will be redeemed at the Maturity Date. In that event, however, by virtue of the AUD Maturity Redemption Clause, the principal of the Deposit will be converted into AUD at the Strike Rate (AUD/JPY Rate as of 2:00 PM (Tokyo Time) on the Date for Establishment of Conditions, as determined by the Bank) and will be redeemed on the Maturity Date in AUD. ➤ Interest will be paid semiannually or annually on the respective Interest Payment Dates. <ul style="list-style-type: none"> • The initially applicable interest rate of the Deposit will be the fixed interest rate prescribed at the time of establishment of the Deposit. • The interest rate applicable to the interest payable on the second and subsequent Interest Payment Dates will be determined by the Bank among the two interest rates prescribed at the time of establishment of the Deposit, by reference to the level of AUD/JPY Rate on the applicable Interest Rate Evaluation Date. • In the event of Early Redemption, interest on the Deposit will not be paid thereafter. <ul style="list-style-type: none"> * Please refer to the separate 'Confirmation of Risks/ Application Form' for details of Interest Payment Dates and applicable interest rates.

	<ul style="list-style-type: none"> ➤ The Deposit is offered as Limited Application Period Type for application amount less than JPY 100 Million. <ul style="list-style-type: none"> • Depending on the market conditions and the application status, the Bank may determine that the Deposit will not be established. • The application amount will be held in the customer's Yen Savings Account from the Application Date until the Deposit Start Date (Deposit Date), and will not be made available for withdrawal or for other transactions. • Limited to the Bank's prescribed period, cancellation request after the application for the Deposit can be accepted at the Bank's domestic branch (HSBC Premier Centre) or HSBC Premier Call Centre. ➤ In principle, the Deposit may not be cancelled by the customer after the establishment. <ul style="list-style-type: none"> • If the Bank considers and accepts it unavoidable and agrees to the cancellation before maturity, the interest rate from the preceding Interest Payment Date (or the Deposit Start Date (Deposit Date), if before the first Interest Payment Date) until the cancellation date will be reduced to zero percent (0%). Further, the customer may be required to pay the Cancellation Damages calculated as per the Bank's prescribed formula at anytime once the Deposit Application Period has finished, even before the Deposit Start Date. Therefore, the cancellation proceeds may fall substantially short of the principal amount of the Deposit. 			
Deposit	Minimum Deposit Amount JPY 500,000			
	Deposit Unit JPY 1			
	Deposit Channel Bank's domestic branch (HSBC Premier Centres)			
Deposit Term	<p>4 Years</p> <p>The bank will determine, however, whether or not to early redeem the Deposit on each Early Redemption Evaluation Date. If the Bank determines to employ the Early Redemption Clause, the Deposit will be redeemed before maturity on the Early Redemption Date immediately subsequent to such Early Redemption Evaluation Date.</p> <p>* For details, please refer to the explanations in "Early Redemption Clause and AUD Maturity Redemption Clause" on the succeeding pages.</p>			
Fees	<p>No transaction fees will be charged for the establishment of the Deposit.</p> <p>* However, in order to exchange the AUD funds (that will be repaid to the customer at the maturity of the Deposit) into JPY, the foreign exchange fees as prescribed by the Bank will be charged. The foreign exchange fees applicable to exchange transactions from AUD to JPY are as shown in the following list.</p> <p>(Foreign Exchange Fees - From AUD to JPY)</p> <table border="1" data-bbox="375 1915 1428 2007"> <tr> <td>Tier 1</td> <td>Transaction amount less than AUD 10,000.-</td> <td>JPY 2.00/AUD (one way)</td> </tr> </table>	Tier 1	Transaction amount less than AUD 10,000.-	JPY 2.00/AUD (one way)
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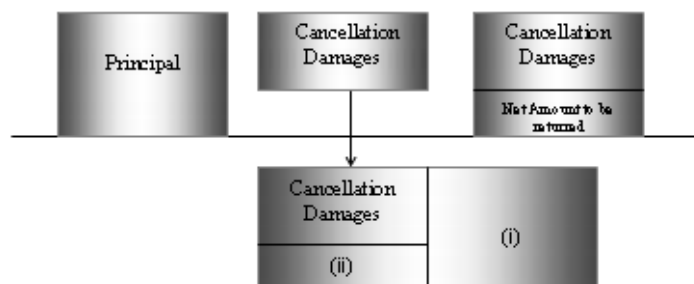
	Tier 2	Transaction amount of AUD 10,000.- or more	JPY 0.80/AUD (one way)
	Tier 3	Transaction amount of AUD 100,000.- or more	JPY 0.40/AUD (one way)
Interest	(i) Applicable Interest Rate	<p>➤ Interest rate applicable to the initial interest of the Deposit is fixed at the time of establishment of the Deposit.</p> <p>➤ As to the second and subsequent interest of the Deposit, the Bank will determine the applicable interest rate among the two interest rates prescribed at the time of establishment of the Deposit by comparing the “Trigger Rate 2” with the AUD/JPY Rate as of 3:00 PM (Tokyo Time) on the relevant Interest Rate Evaluation Date:</p> <ul style="list-style-type: none"> • If the AUD/JPY Rate is equal to or higher than the Trigger Rate 2 (i.e., AUD has remained stronger against JPY above the Trigger Rate 2), the higher of the two interest rates will be applicable; and • If the AUD/JPY Rate is lower than the Trigger Rate 2 (i.e., AUD has weakened against JPY below the Trigger Rate 2), the lower of the two interest rates will be applicable. <p>“Interest Rate Evaluation Date” is the day five business days prior to each of the second and subsequent Interest Payment Dates (including the Maturity Date).</p> <p>* Please refer to the separate ‘Confirmation of Risks/ Application Form’ for details of applicable interest rates.</p> <p>* At time of application, the Trigger Rate 2 is set as a rate which represents stronger JPY (weaker AUD) by a certain level from the Strike Rate (the AUD/JPY Rate as at 2:00 PM (Tokyo Time) on the Date for Establishment of Conditions, as determined by the Bank). Please refer to the separate ‘Confirmation of Risks/ Application Form’ for such certain level.</p> <p>* The specific Trigger Rate 2 will be advised by “Confirmation (Document to be Delivered upon Execution of Contract)” after the Date for Establishment of Conditions (Contract Date).</p>	
	(ii) Interest Payment Method	Interest calculated at the Applicable Interest Rate as mentioned in (i) above will be paid semiannually or annually in JPY by means of crediting to the customer’s Yen Savings Account of the HSBC Premier Account on the Interest Payment Date.	

	<p>* Please refer to the separate 'Confirmation of Risks/ Application Form' for details of Interest Payment Dates.</p>
	<p>(iii) Interest Calculation Method Interest will be calculated on the unit of JPY 1.-, on a daily prorated basis over a 365-day year.</p>
Application Method	<p>a) For order of JPY100 Million or more, the Deposit may be established upon application.</p> <p>* Please confirm at the HSBC Premier Centre or the Relationship Manager for details.</p> <p>* In case of the Deposit individually established, cancellation after the application will not be allowed in principle.</p> <p>b) For any order below JPY100 Million, the application will be handled as Limited Application Period Type.</p> <p>* The customer can apply for the Deposit in accordance with the application schedule as specified in the separate "Confirmation of Risks/ Application Form". Depending on the market conditions and the application status, however, the Bank may determine that the Deposit will not be established.</p> <p>* In case of the application for the Deposit of Limited Application Period Type, the customer may cancel such application only within the cancellation period as prescribed by the Bank.</p>
Date for Establishment of Conditions (Contract Date)	<p>The Bank will determine the details of conditions for the Deposit (e.g. Strike Rate etc.) at 2:00 PM (Tokyo Time) on the Date for Establishment of Conditions. (In principle, the Date for Establishment of Conditions is set on the same day with the last day of the Application Period.)</p> <p>* Please refer to the separate 'Confirmation of Risks/ Application Form' for details of Date for Establishment of Conditions (Contract Date).</p>
Deposit Start Date (Deposit Date)	<p>In principle, the Deposit Start Date (Deposit Date) will be the date set two business days after the Date for Establishment of Conditions; however it may vary in some cases.</p> <p>* Please refer to the separate 'Confirmation of Risks/ Application Form' for details of Deposit Start Date (Deposit Date).</p> <p>* The application amount will be held in the customer's Yen Savings Account from the Application Date until the Deposit Start Date (Deposit Date), and will not be made available for withdrawal or for other transactions.</p>
Early Redemption Clause and AUD Maturity Redemption	<p>General Description of the Clauses</p> <p>➤ The Bank will determine to employ the Early Redemption Clause if the AUD/JPY Rate as at 3:00 PM (Tokyo Time) on an Early Redemption Evaluation Date is equal to or higher than the Trigger Rate 1 (i.e., AUD has strengthened against JPY beyond the Trigger Rate 1). In that event, the Deposit will be</p>

Clause	<p>redeemed in JPY on the Early Redemption Date immediately subsequent to such Early Redemption Evaluation Date; further, interest on the Deposit will not be paid thereafter.</p> <ul style="list-style-type: none"> ➤ The Bank will determine NOT to employ the Early Redemption Clause if the AUD/JPY Rate as at 3:00 PM (Tokyo Time) on an Early Redemption Evaluation Date is lower than the Trigger Rate 1 (i.e., AUD has weakened against JPY below the Trigger Rate 1); as a result, the Deposit will be continued. ➤ If the Deposit is NOT redeemed early on any Early Redemption Date, the principal amount of the Deposit will be, by virtue of the AUD Maturity Redemption Clause, redeemed in AUD upon being converted into AUD at the Strike Rate (which is set as the same rate with the Trigger Rate 1) on the Maturity Date. <p>* Please refer to the separate ‘Confirmation of Risks/ Application Form’ for details of Early Redemption Evaluation Dates.</p> <p>* The specific foreign exchange rates representing the Trigger Rate 1 and the Strike Rate will be advised by “Confirmation (Document to be Delivered upon Execution of Contract)” after the Date for Establishment of Conditions (Contract Date).</p>
Early Redemption Date	<p>The “Early Redemption Date” means a redemption date of the Deposit before the Maturity Date, if the Early Redemption Clause is employed. The Early Redemption Date shall be the same date as each Interest Payment Date (excepting the Maturity Date).</p> <p>* Please refer to the separate ‘Confirmation of Risks/ Application Form’ for details of Interest Payment Dates (Early Redemption Dates).</p>
Employment of Early Redemption Clause	<p>The Bank will determine, in its discretion, whether or not to employ the Early Redemption Clause on the day (the “Early Redemption Evaluation Date”) set five business days prior to each Early Redemption Date.</p>
Handling at Early Redemption	<ul style="list-style-type: none"> ➤ If the Bank determines to employ the Early Redemption Clause, the principal and interest of the Deposit will be redeemed in JPY on the Early Redemption Date (which is immediately subsequent to the Early Redemption Evaluation Date on which such determination is made) by means of crediting to the customer’s Yen Savings Account. There will not be any automatic renewal for the Deposit. ➤ After the early redemption proceeds being credited to the Yen Savings Account, the applicable savings account interest rate will be applied.

<p>Handling at Maturity</p>	<ul style="list-style-type: none"> ➤ The Bank will send a notice via post about the details of the early redemption. ➤ In case of maturity redemption, the principal and interest of the Deposit will be redeemed in the currencies below by means of crediting to the respective accounts on the Maturity Date. There will not be any automatic renewal for the Deposit. <ul style="list-style-type: none"> a) Interest Payment <p>The interest from the preceding Interest Payment Date until the Maturity Date will be payable in JPY and will be credited to the customer's Yen Savings Account.</p> b) Principal Repayment <p>The principal of the Deposit will be converted into AUD at the Strike Rate (which is the AUD/JPY Rate as at 2:00 PM (Tokyo Time) on the Date for Establishment of Conditions, as determined by the Bank) by virtue of the AUD Maturity Redemption Clause and will be credited to the customer's Multi Currency Savings Account (in AUD).</p> ➤ After the maturity redemption proceeds being credited to the relevant savings account, the applicable savings account interest rates will be applied. ➤ The Bank will send a notice via post about the details of the maturity redemption.
<p>List of Reference Rates</p>	<p><u>Strike Rate</u></p> <ul style="list-style-type: none"> ➤ The Strike Rate is the AUD/JPY Rate as at 2:00 PM (Tokyo Time) on the Date for Establishment of Conditions, as determined by the Bank. ➤ In case the Deposit is redeemed at maturity, the principal amount of the Deposit will be converted into AUD at the Strike Rate and redeemed in AUD. (The actual AUD/JPY Rate prevailing in the market at the time of maturity of the Deposit may be substantially different from the Strike Rate.) <p><u>Trigger Rate 1</u></p> <ul style="list-style-type: none"> ➤ The Trigger Rate 1 is the AUD/JPY Rate used as the benchmark in determining the employment/non-employment of the Early Redemption Clause, and is set at the same rate with the Strike Rate. <p><u>Trigger Rate 2</u></p> <ul style="list-style-type: none"> ➤ The Trigger Rate 2 is the AUD/JPY Rate used as the benchmark in determining the Applicable Interest Rate on the second and subsequent Interest Payment Dates, and is set at the rate which represents stronger JPY (weaker AUD) by a certain level from the Strike Rate. <p>(As for such certain level, please refer to the separate 'Confirmation of Risks/ Application Form'.)</p> <p>* The specific foreign exchange rates representing the Strike Rate, the Trigger Rate 1 and the Trigger Rate 2 will be advised by "Confirmation (Document to be Delivered upon Execution of Contract)" after the Date for Establishment of Conditions (Contract Date).</p>

Deposit Insurance Protection	Deposits with the Bank in Japan are not protected by the Deposit Insurance System in Japan.
Cancellation	<ul style="list-style-type: none"> ➤ In principle, the Deposit may not be cancelled by the customer after the establishment. ➤ If the Bank considers and accepts it unavoidable and agrees to the cancellation before maturity, the interest rate from the preceding Interest Payment Date (or the Deposit Start Date (Deposit Date), if before the first Interest Payment Date) until the Cancellation Date will be reduced to zero percent (0%). Further, the customer may be required to pay the Cancellation Damages calculated as per the Bank's prescribed formula at anytime once the Deposit Application Period has finished, even before the Deposit Start Date (Deposit Date). As a result, the cancellation proceeds may fall substantially short of the principal amount of the Deposit. ➤ It will require a few business days to complete the procedure after the cancellation request.
Cancellation Damages	<ul style="list-style-type: none"> ➤ The Bank will calculate, as per the Bank's prescribed formula, the amount needed for the restructuring for the derivative transaction etc. incorporated in the Deposit, for the period between the Cancellation Date and the Maturity Date (the "Remaining Period"). The customer will be required to pay such amount as "Cancellation Damages" by means of deduction from the principal amount of the Deposit. ➤ Consequently, the amount of Cancellation Damages cannot be fixed at the time the Deposit is established. The amount of Cancellation Damages may change depending on the market conditions, the number of days of the Remaining Period, etc. ➤ The amount of the Cancellation Damages, that will be calculated as per the Bank's prescribed formula using the market rates that the Bank deems reasonable, tends to become greater if the period from the establishment of the Deposit is shorter (the Remaining Period is longer), if the interest rate difference between AUD and JPY (AUD interest rate - JPY interest rate) becomes larger, if the volatility of AUD/JPY Rate becomes higher, or if the AUD/JPY Rate moves further toward JPY appreciation against AUD (i.e., AUD has weakened against JPY). ➤ Even when the markets do not change at all, the Cancellation Damages equivalent to 7-12 % of the principal may be incurred. (Such amount may vary depending on such factors as the amount of deposit, period, etc.) ➤ For the specific amount of Cancellation Damages, please confirm at the HSBC Premier Centre or the Relationship Manager.

Cancellation Damages Image

(i) Evaluation of Derivative

(ii) Evaluation of Difference between the Deposit Rate and Market Interest Rate

Tax	<ul style="list-style-type: none"> ➤ Interest received is subject to the 20% withholding tax (national tax 15% and local tax 5%). The tax percentages might vary depending on the other factors such as the customer's residency or special tax treatment; please note that the customer should consult with independent professionals, such as tax accountant, for advice. ➤ The tax-free small-sum savings system ("Maruyu") is not applicable for interest on the Deposit. ➤ With regard to the foreign exchange gain which may be attained depending on the AUD/JPY Rate at the time of conversion of the AUD funds received as the maturity redemption proceeds into JPY, other-income tax (<i>zatsu-shotoku</i>) may be imposed. For detail, the customer should consult with independent professionals, such as tax accountant.
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Other Special Conditions that may be added	None
Authorized investor protection body which the Bank is subject to	Nil.
Designated Dispute Resolution Body which the Bank has concluded an agreement with	全国銀行協会(Japanese Bankers Association) Contact information: JBA Customer Relations Center Phone 0570-017109 or 03-5252-3772

Notice	<ul style="list-style-type: none"> ➤ The Deposit is subject to the Terms and Conditions for Structured Deposit (Section 5). ➤ The Japanese version of the documents pertaining to the Deposit shall be the legally controlling version. Should there be any discrepancy between the Japanese version and the English version, the Japanese version shall always prevail. ➤ Prior to applying for the Deposit, please read this document carefully, and should you have any question, please enquire it with the Relation Manager; please apply for the Deposit with full understanding of the contents of this document.
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As of 1 April, 2011

Simulation (in case of annual interest payment)

The figures and conditions described below are examples to assist the understanding of the structure of the Deposit. The actual figures and conditions will be different from them. Please be sure to confirm the contents of the “Confirmation of Risks/Application Form” when applying for the Deposit.

- Deposit Currency: Japanese yen (JPY)
- Redemption Currency: Australian dollar (AUD) (in case of maturity redemption)
Japanese yen (JPY) (in case of early redemption)
- Date for Establishment of Conditions: 26 January, 2010 (2:00 pm, Tokyo Time)
(Contract Date)
- Deposit Start Date: 28 January, 2010
(Deposit Date)
- Maturity Date: 28 January, 2014 (Deposit Period of 4 years*)
* Please note, however, that the Deposit incorporates the Early Redemption Clause, and that it may be early redeemed before its maturity on the Early Redemption Date immediately subsequent to an Early Redemption Evaluation Date, if AUD/JPY Rate as at 3:00 PM (Tokyo Time) on such Early Redemption Evaluation Date is equal to or higher than (i.e., AUD has strengthened against JPY beyond) the Trigger Rate 1.
- Deposit Amount: JPY 1 Million
- Strike Rate: AUD 1=JPY 80.00
(AUD/JPY Rate as of 2:00 PM (Tokyo Time) of the Date for Establishment of Conditions, as determined by the Bank)
- Trigger Rate 1: AUD 1=JPY 80.00 (same rate with the Strike Rate)
- Trigger Rate 2: AUD 1=JPY 70.00 (AUD/JPY Rate set at the level which is lower by JPY 10 than the Strike Rate)
- Interest Payment Date: The first, second and third annual corresponding dates of the Deposit Start Date (Deposit Date), and the Maturity Date
- Early Redemption Date: The same day with each of the Interest Payment Dates (excluding the Maturity Date)
- Early Redemption Evaluation Date:
Five business days prior to each Interest Payment Date (excluding the Maturity Date)
- Interest Rate Evaluation Date:
Five business days prior to each of the second and subsequent Interest Payment Dates (including the Maturity Date)
- Applicable Interest Rate:
 - 1st year: 6.00 % p.a. (4.80% p.a., after tax)
 - * Fixed interest rate is applied for the first year.
 - 2nd to 4th years: 0.10% p.a. (0.08% p.a., after tax) or 6.00% p.a. (4.80% p.a., after tax)

*Applicable interest rate will be determined on the conditions as follows.

- (i) If AUD/JPY Rate as at 3:00 PM on the Interest Rate Evaluation Date is lower than the Trigger Rate 2 (i.e., AUD has weakened against JPY below the Trigger Rate 2), the interest rate applicable to the interest for the year from and including the immediately preceding Interest Payment Date will be 0.10% p.a. (0.08% p.a., after tax).
- (ii) If AUD/JPY Rate as at 3:00 PM on the Interest Rate Evaluation Date is equal to or higher than the Trigger Rate 2 (i.e., AUD has remained stronger against JPY above the Trigger Rate 2), the interest rate applicable to the interest for the year from and including the immediately preceding Interest Payment Date will be 6.00 % p.a. (4.80% p.a., after tax).

- Evaluation Date: Each of Early Redemption Evaluation Dates and Interest Rate Evaluation Dates. (In this example, there are 1st to 4th Evaluation Dates, or 4 Evaluation Dates in total.)

Scenario Analysis

Scenario 1: Early Redemption after Year 1

Example:

The AUD/JPY Rate as of 3:00 PM of the first Early Redemption Evaluation Date is AUD 1 = JPY 82.18, which is equal to or higher than (i.e., AUD has strengthened against JPY beyond) the Trigger Rate 1 (AUD 1 = JPY 80.00).

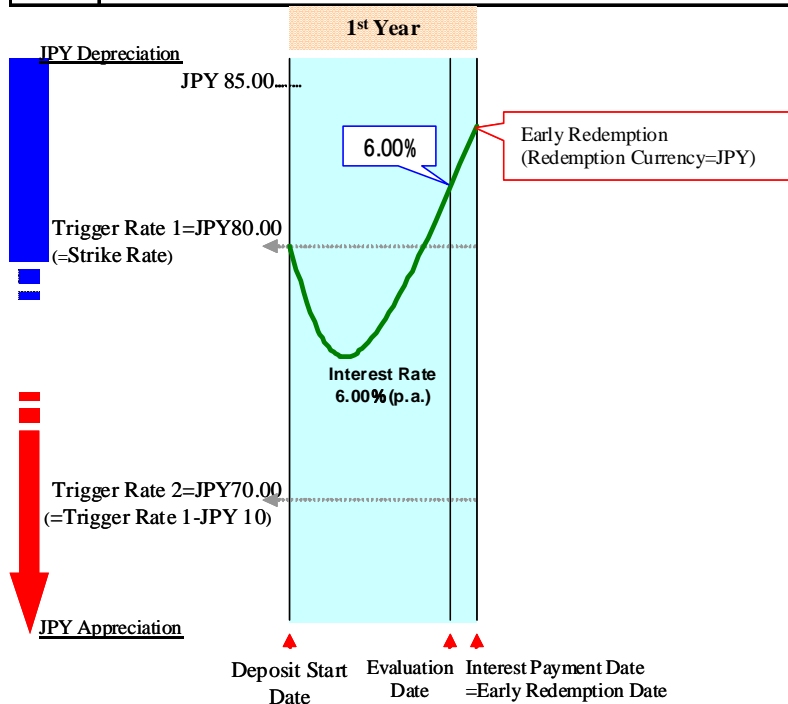
Applicable interest rate on Year1: 6.00 % p.a. (4.80% p.a., after tax)

The principal is early redeemed in JPY on the first Early Redemption Date.

[Total amount receivable]

JPY 1,000,000 (principal) + JPY60,000 (interest before tax) × 1
 = JPY1,060,000 (JPY1,048,000 after tax)

	AUD/JPY Rate for Evaluation	Strike Rate	Trigger Rate 1	Trigger Rate 2	Early Redemption Clause	Receipt Currency	Interest Rate p.a.	Receipt Amount (before tax)	Receipt Amount (after tax)
Year1	82.18	80.00	80.00	70.00	Applied	Principal: JPY Interest: JPY	6.00% (4.80% after tax)	JPY1,060,000	JPY1,048,000
Year2	Due to Early Redemption at end of Year1, there is no deal from Year2 and forward.								
Year3									
Year4									



Scenario 2: Early Redemption after Year 2

Example:

The AUD/JPY Rate as at 3:00 PM of the first Early Redemption Evaluation Date stays below the Trigger Rate 1 (AUD 1=JPY 80.00), and stays equal to or higher than the Trigger Rate 2 (AUD 1=JPY 70.00); the AUD/JPY Rate as at 3:00 PM of the second Early Redemption Evaluation Date is at AUD 1 = JPY82.11, which is equal to, or higher than (i.e., AUD has strengthened against JPY beyond) the Strike Rate (AUD 1 = JPY 80.00).

Applicable interest rate on Years 1 - 2: 6.00 % p.a. (4.80% p.a., after tax)

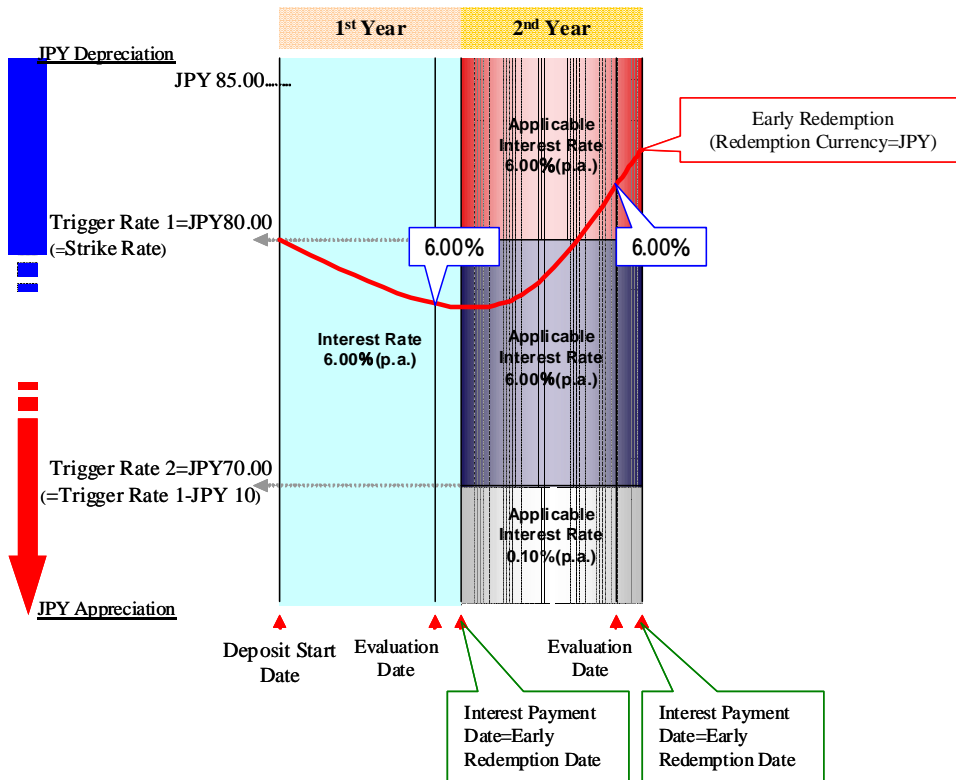
The principal is early redeemed in JPY on the second Early Redemption Date.

[Total amount receivable]

JPY 1,000,000 (principal) + JPY60, 000 (interest before tax) × 2

= JPY1,120,000 (JPY1,096,000 after tax)

	AUD/JPY Rate for Evaluation	Strike Rate	Trigger Rate 1	Trigger Rate 2	Early Redemption Clause	Redeemed currency	Interest Rate p.a.	Receipt Amount (before tax)	Receipt Amount (after tax)
Year1	77.34	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year2	82.11	80.00	80.00	70.00	Applied	Principal: JPY Interest: JPY	6.00% (4.80% after tax)	JPY1,060,000	JPY1,048,000
Year3	Due to Early Redemption at end of Year2, there is no deal from Year3 and forward.								
Year4									



Scenario 3: Maturity Redemption (with Foreign Exchange Evaluation Gain at Maturity)

Example:

The AUD/JPY Rate as at 3:00 PM of each of the first to third Early Redemption Evaluation Dates stays below the Trigger Rate 1(AUD1=JPY 80.00), and stays equal to or higher than the Trigger Rate2 (AUD 1=JPY 70.00) in Years 1-3; and the AUD/JPY Rate as at 3:00 PM of the last Interest Rate Evaluation Date is at AUD 1 = JPY 82.05, which is equal to or higher than (i.e., AUD has strengthened against JPY beyond) the Strike Rate (AUD 1 = JPY 80.00).

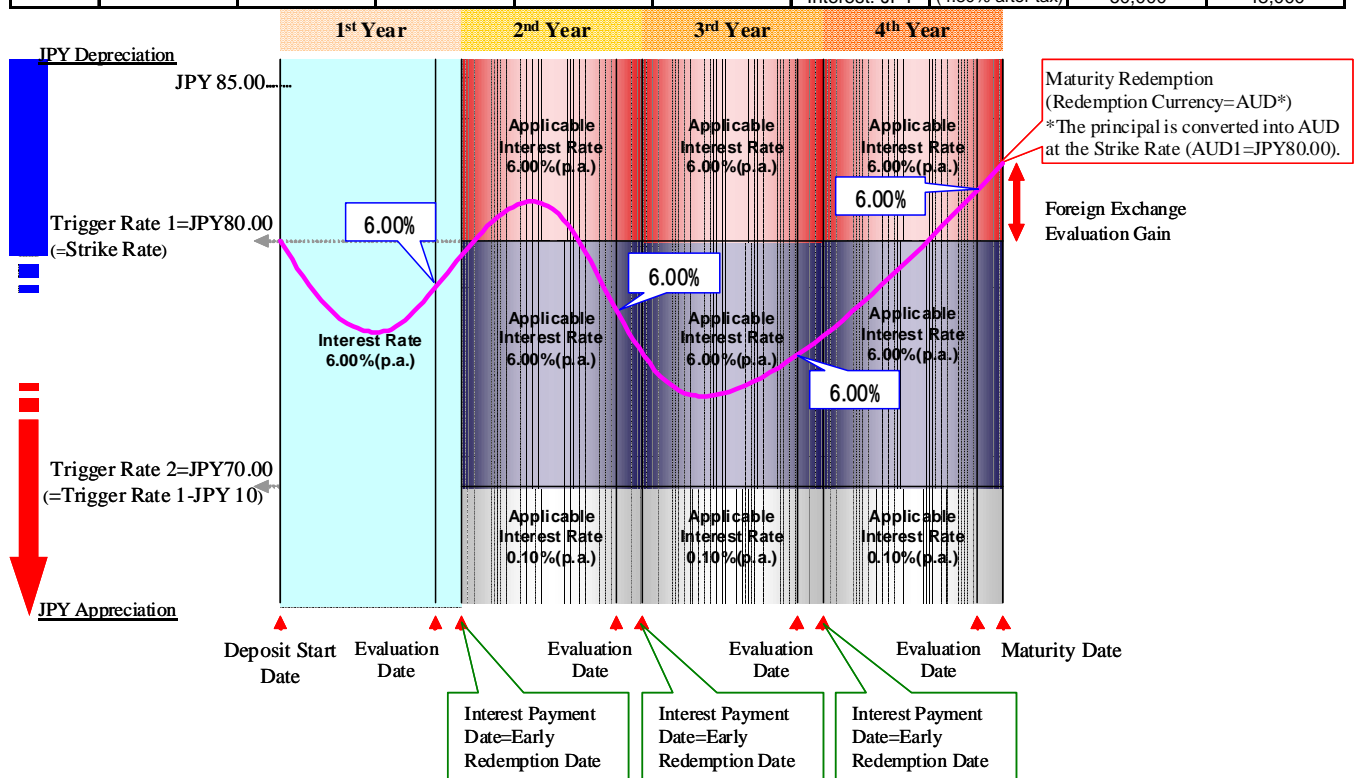
Applicable interest rate on Years 1 to 4: **6.00 % p.a. (4.80% p.a., after tax)**

The principal is redeemed upon being converted into AUD at the Strike Rate (AUD 1=JPY 80.00) on the Maturity Date. (JPY 1,000,000 / 80.00 = AUD 12,500.00)

[Total amount receivable]

$$\text{AUD 12,500.00 (principal) + JPY60,000 (interest before tax) } \times 4 = \text{AUD 12,500.00 + JPY 240,000 (JPY 192,000 after tax)}$$

	AUD/JPY Rate for Evaluation	Strike Rate	Trigger Rate 1	Trigger Rate 2	Early Redemption Clause	Redeemed currency	Interest Rate p.a.	Receipt Amount (before tax)	Receipt Amount (after tax)
Year1	77.64	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year2	77.21	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year3	75.13	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year4	82.05	80.00	80.00	70.00	N/A	Principal: AUD Interest: JPY	6.00% (4.80% after tax)	AUD12,500 60,000	AUD12,500 48,000



Scenario 4: Maturity Redemption (with Foreign Exchange Evaluation Loss at Maturity)

Example:

The AUD/JPY Rate as at 3:00 PM of each Evaluation Date stays below the Trigger Rate 1 (AUD 1=JPY 80.00), and stays equal to or above the Trigger Rate2 (AUD 1=JPY 70.00) in Years 1-3; and the AUD/JPY Rate as at 3:00 PM of the last Interest Rate Evaluation Date is at AUD 1 = JPY 77.72 in Year 4, which is below the Strike Rate (AUD 1 = JPY 80.00).

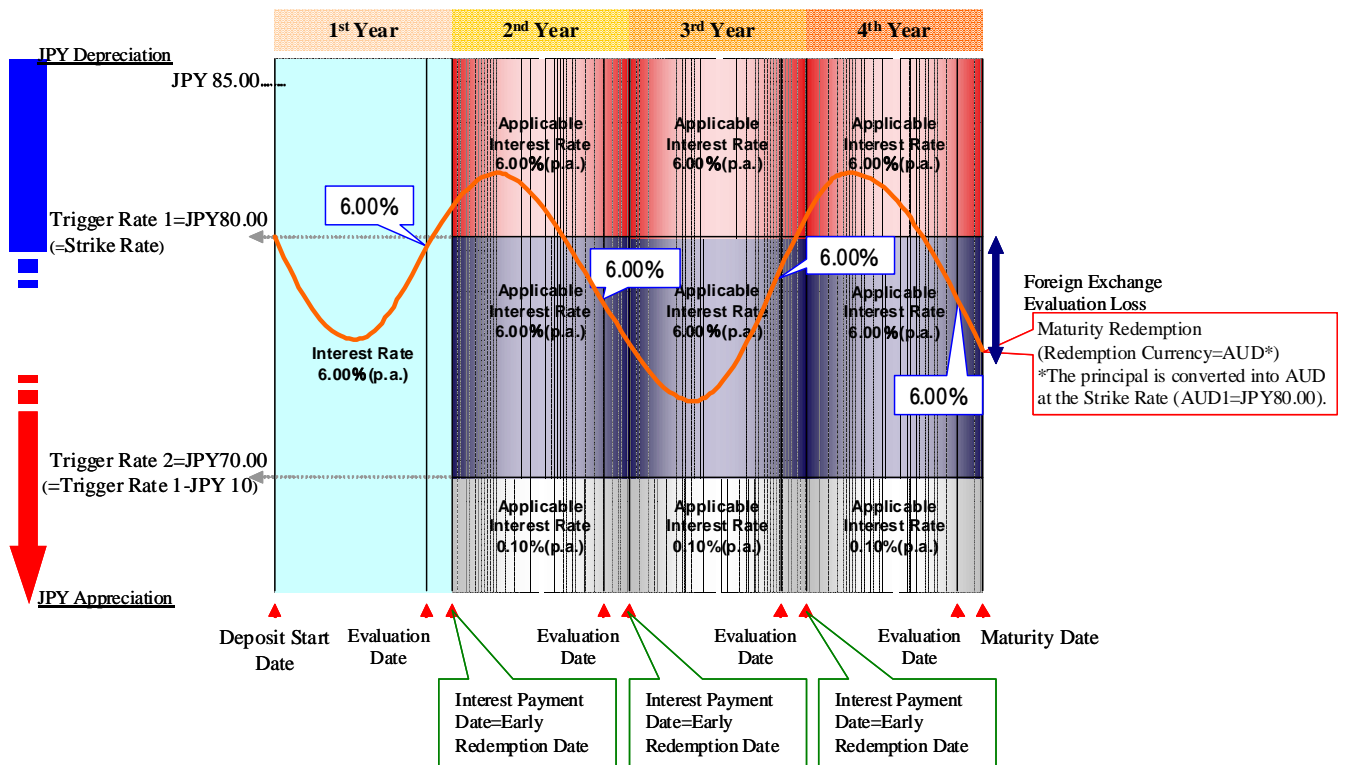
Applicable interest rate on Years 1 to 4: 6.00 % p.a. (4.80% p.a., after tax)

The principal is redeemed upon being converted into AUD at the Strike Rate (AUD 1=JPY 80.00) on the Maturity Date. (JPY 1,000,000 / 80.00 = AUD 12,500.00)

[Total amount receivable]

AUD 12,500.00 (principal) + JPY60,000 (interest before tax) × 4
 = AUD 12,500.00 + JPY 240,000 (JPY 192,000 after tax)

	AUD/JPY Rate for Evaluation	Strike Rate	Trigger Rate 1	Trigger Rate 2	Early Redemption Clause	Redeemed currency	Interest Rate p.a.	Receipt Amount (before tax)	Receipt Amount (after tax)
Year1	79.54	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year2	77.27	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year3	78.63	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year4	77.72	80.00	80.00	70.00	N/A	Principal: AUD Interest: JPY	6.00% (4.80% after tax)	AUD12,500 JPY60,000	AUD12,500 JPY48,000



Scenario 5: Maturity Redemption (with the lower of the two interest rates applied to all of the second and subsequent Interest Payment Dates; and with Foreign Exchange Evaluation Loss at Maturity)

Example:

The AUD/JPY Rate as at 3:00 PM of the each Evaluation Date stays below the Trigger Rate 2 (AUD 1=JPY 70.00) in Years 1-3 and ends at JPY 67.91 in Year 4, which is below the Strike Rate (AUD 1 = JPY 80.00).

Applicable interest rate on Year 1: **6.00 % p.a. (4.80% p.a., after tax)**

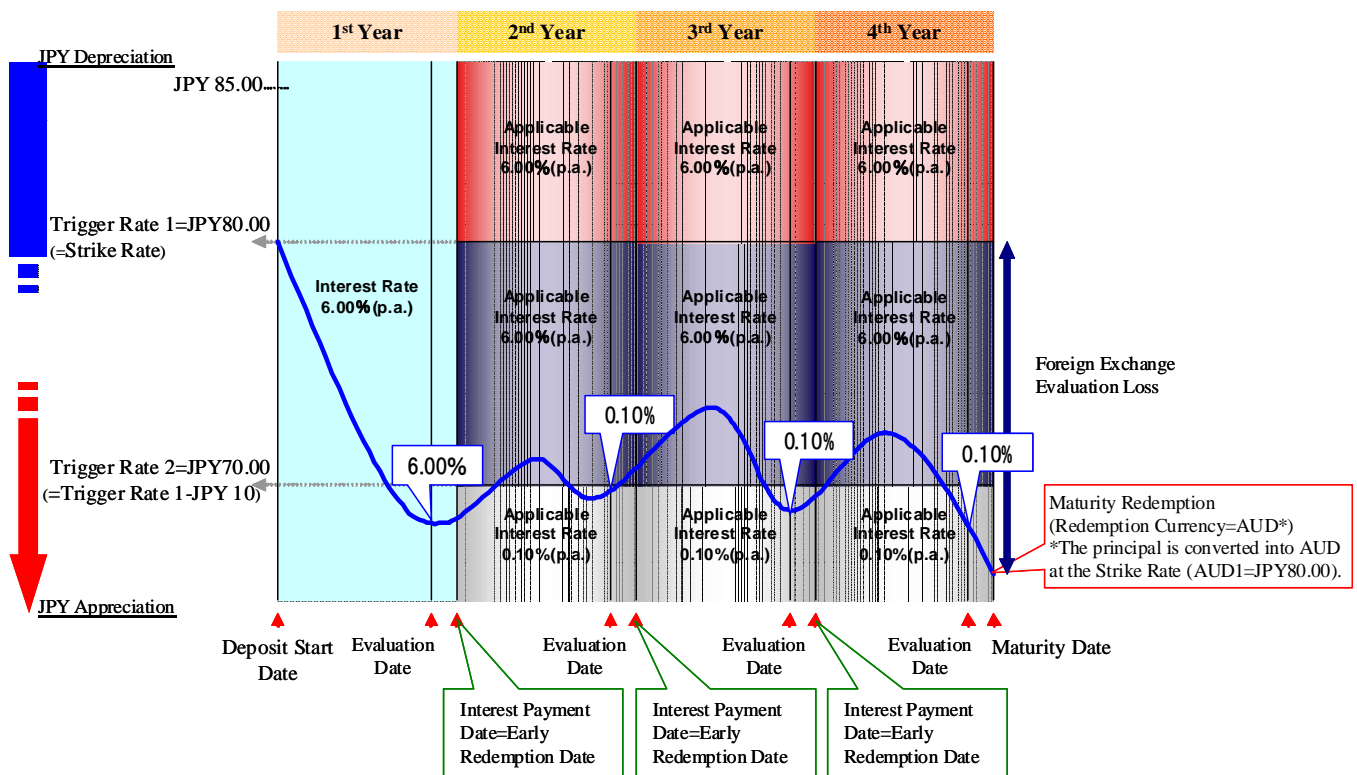
Applicable interest rate on Years 2 to 4: **0.10 % p.a. (0.08% p.a., after tax)**

The principal is redeemed upon being converted into AUD at the Strike Rate (AUD 1=JPY 80.00) on the Maturity Date. (JPY 1,000,000 / 80.00 = AUD 12,500.00)

[Total amount receivable]

AUD 12,500.00 (principal) + JPY60,000 (interest before tax)×1 + JPY1,000 (interest before tax) ×3= AUD 12,500.00 + JPY 63,000 (JPY 50,400 after tax)

	AUD/JPY Rate for Evaluation	Strike Rate	Trigger Rate 1	Trigger Rate 2	Early Redemption Clause	Redeemed currency	Interest Rate p.a.	Receipt Amount (before tax)	Receipt Amount (after tax)
Year1	68.33	80.00	80.00	70.00	Not applied	Interest: JPY	6.00% (4.80% after tax)	JPY60,000	JPY48,000
Year2	69.58	80.00	80.00	70.00	Not applied	Interest: JPY	0.10% (0.08% after tax)	JPY1,000	JPY800
Year3	68.75	80.00	80.00	70.00	Not applied	Interest: JPY	0.10% (0.08% after tax)	JPY1,000	JPY800
Year4	67.91	80.00	80.00	70.00	N/A	Principal: AUD Interest: JPY	0.10% (0.08% after tax)	AUD12,500 JPY1,000	AUD12,500 JPY800



Scenario Analysis Disclaimer

- The above scenarios are provided for illustrative purposes only, and do not reflect a complete analysis of all possible gain and loss scenarios that may arise during any actual investment. Actual results may vary from the results shown above. No representation or warranty is made by the Bank that any scenario described above can be duplicated under real investment conditions.
- Interest amount in the Scenario Analysis is an estimate, calculated on the basis of a 365-day year.