



4 July, 2011

**HSBC PREMIER LAUNCHES JAPAN'S FIRST
CHINESE RENMINBI STRUCTURED DEPOSIT**

**- TWO PERCENT INTEREST RATE OFFERED PER ANNUM
ON A SIX MONTH TERM DCD -**

HSBC, the world's leading international emerging markets bank, will launch the first Chinese renminbi (RMB) structured deposit to be offered in Japan¹. With this new "Chinese Renminbi Dual Currency Deposit" product, HSBC Premier clients can make an initial deposit in Japanese yen (JPY) and at maturity will receive principal in either RMB or JPY depending on changes in the JPY/RMB exchange rate. Applications for the product will be accepted over the period 4-26 July, 2011.

The launch of this new product underlines the HSBC Group's RMB leadership position and the key role the Group is playing in supporting customers take advantage of the opportunities arising as the renminbi becomes increasingly internationalized.

This ground-breaking new product follows on from the successful launches of a RMB savings account and time deposits in October 2010. Japanese individual investors are increasingly looking at the wealth management opportunities presented by the RMB and HSBC Premier has seen a surge in RMB deposits and today² it is the second most popular foreign deposit after the US dollar.

At the maturity, the currency of the principal repayment will be determined based on the JPY/RMB rate (hereinafter referred to as the "strike rate"), as determined at the time of deposit, and the actual prevailing exchange rate as at 3 p.m. two business days prior to the maturity date.

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Principal members of HSBC in Japan are:
The Hongkong and Shanghai Banking Corporation Limited
HSBC Securities (Japan) Limited
HSBC Global Asset Management (Japan) K.K.

HSBC Premier launches Japan's First Chinese RMB structured deposit/2

If the prevailing JPY/RMB exchange rate is higher than the strike rate, namely, if the JPY weakens against the RMB, the principal will be paid in JPY. While if the prevailing JPY/RMB exchange rate is equal to or lower than the strike rate, namely if the JPY strengthens against the RMB, the principal will be repaid in RMB.

Regardless of the currency in which the principal is repaid, interest payments will be paid in JPY for the term of deposit.

If redemption is made in RMB, the principal will be converted into RMB at the strike rate and no foreign exchange fee will be charged. While later reconversion into JPY may cause a loss in principal, depending on the prevailing market JPY/RMB rate, this new structured deposit is particularly appealing to those customers seeking investment opportunities offering potentially higher returns than JPY and RMB time deposits.

This DCD offers an annual interest rate of two per cent on a six month term deposit. After deducting withholding tax at 20 per cent, the net interest rate is 1.6 per cent per annum. HSBC Premier will announce its next offering in due course.

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Notes:

- 1:** Based on internal research as of 30 June, 2011 among publicly offered structured products
- 2:** As of 30 June, 2011

Notes to editors:

1. HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 7,500 offices in 87 countries and territories in Europe, the Asia-Pacific region, North America, Latin America and the Middle East. With assets of US\$2,455 billion at 31 December 2010, HSBC is one of the world's largest banking and financial services organisations. HSBC is marketed worldwide as 'the world's local bank'.

2. The Hongkong and Shanghai Banking Corporation Limited in Japan

The Hongkong and Shanghai Banking Corporation Limited is the founding member of the HSBC Group. It established its first branch in Japan in Yokohama in 1866, making it the oldest bank operating in Japan today. It has branch offices in Tokyo and Osaka, providing commercial banking, private banking and personal wealth management services.

3. HSBC Premier

HSBC Premier is a global personal wealth management service offering individually tailored financial solutions for the growing number of mass affluent individuals. Globally, HSBC Premier offers its services through more than 370 international Premier Centres in more than 40 countries and territories. In Japan, HSBC Premier targets individuals with liquid financial assets exceeding JPY 10 million through its nationwide network of branches.

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