

## Revision of HSBC Premier Terms and Conditions

30 November, 2009

HSBC Premier will revise the HSBC Premier Terms and Conditions, which form the basis of the transactions under the HSBC Premier Account. The revised HSBC Premier Terms and Conditions will be implemented with effect from 1 December, 2009.

### Main Points of the Revision

- Revision of Section 7 (Terms and Conditions for HSBC Premier Credit Card)

In response to the enforcement of the revised Installment Sales Law and the amendment to related laws, the Bank will revise HSBC Premier Terms and Conditions. Main revisions are to change the applicable rates of the delayed charges for “two (2) installments” and “lump sum payment at the time of bonus” of Shopping Use, and to supplement the clauses regarding Loss of the Benefit of Term

For the full provisions of the affected Terms and Conditions, please refer to the Comparative Table of HSBC Premier Terms and Conditions below.

For enquiries, please contact your Relationship Manager or our Call Centre (English 0120-777-268, 24 hours/365 days). Thank you for banking with HSBC Premier.

## Comparative Table of HSBC Premier Terms and Conditions

(Changed parts underlined)

- Changes effective as of 1 December, 2009

Article	Current	New
Section 7, Article 32 (Plea for Payment Suspension)	<p>1. If the payment method shall be “revolving payments” or “installment payments” and any of the following events shall apply to any of the <u>designated merchandise, designated rights and designated services as stipulated in the Installment Sales Law (collectively, the “Merchandise etc.”)</u>, the Credit Cardholder may suspend payment for the relevant Merchandise etc. until such event is resolved:</p> <p>(i) There shall be no <u>delivery of designated merchandise, transfer of designated rights or provision of designated services.</u> (Paragraph 1, Items (ii) and (iii) and Paragraphs 2 through 4 omitted)</p> <p>5. Notwithstanding Paragraph 1, the Credit Cardholder shall not be able to suspend payment, if any of the following applies: (Item (i) omitted) (ii) In case of “installment payments”, when the total payment amount for a single use of the Credit Card is less than 40,000 Yen. (Items (iii) through (v) and Paragraph 6 omitted)</p>	<p>1. If the payment method shall be “<u>two (2) installments</u>”, “<u>lump sum payment at the time of bonus</u>”, “<u>revolving payments</u>” or “<u>installment payments</u>” and any of the following events shall apply to any of the <u>merchandise or services, or the designated rights as stipulated in the Installment Sales Law (collectively, the “Merchandise etc.”)</u>, the Credit Cardholder may suspend payment for the relevant Merchandise etc. until such event is resolved:</p> <p>(i) There shall be no <u>delivery of merchandise, provision of the services or transfer of designated rights.</u> (Paragraph 1, Items (ii) and (iii) and Paragraphs 2 through 4 omitted)</p> <p>5. Notwithstanding Paragraph 1, the Credit Cardholder shall not be able to suspend payment, if any of the following applies: (Item (i) omitted) (ii) In case of “<u>two (2) installments</u>”, “<u>lump sum payment at the time of bonus</u>” or “<u>installment payments</u>”, when the total payment amount for a single use of the Credit Card is less than 40,000 Yen. (Items (iii) through (v) and Paragraph 6 omitted)</p>

Article	Current	New
Section 7, Article 39 (Delayed Charges)	<p>1. The Credit Cardholder shall pay the delayed charges, in the event that the Credit Cardholder fails on the Contract Payment Date to repay the Contract Payment Amount, calculated for the period from the following day of it till the date of full payment over such Contract Payment Amount (except for fees on revolving payments, installment payment fees, fees and interest under the Financing Services and delayed charges etc.), or in the event that the Credit Cardholder loses the benefit of term, calculated for the period from the following day of such loss of the benefit of term till the date of full payment over the total outstanding amount of the obligations (except for fees on revolving repayments, installment payment fees, fees and interest under the Financing Services, and delayed charges etc.), in either event, by applying the interest rate stipulated below. As to the revision of this rate, Article 21, Paragraph 2 shall apply:</p> <p>(i) For cash advance service and Credit Card loan: <u>21.90% per annum</u></p> <p>(ii) Other than the above: 14.60% per annum</p> <p>2. Notwithstanding the preceding Paragraph, the Credit Cardholder shall pay the following delayed charges on <u>installment payments</u>. The revision of the rate shall be made similarly as the preceding Paragraph:</p> <p>(i) In case of the delay in installment payment, the amount calculated by multiplying the installment amount by 14.60% per annum for the period from the following day of the Contract Payment Date to the full payment date. However, such delayed charges shall not exceed the amount calculated by multiplying the total outstanding installment amounts by <u>6.00% per annum</u>.</p>	<p>1. The Credit Cardholder shall pay the delayed charges, in the event that the Credit Cardholder fails on the Contract Payment Date to repay the Contract Payment Amount, calculated for the period from the following day of it till the date of full payment over such Contract Payment Amount (except for fees on revolving payments, installment payment fees, fees and interest under the Financing Services and delayed charges etc.), or in the event that the Credit Cardholder loses the benefit of term, calculated for the period from the following day of such loss of the benefit of term till the date of full payment over the total outstanding amount of the obligations (except for fees on revolving repayments, installment payment fees, fees and interest under the Financing Services, and delayed charges etc.), in either event, by applying the interest rate stipulated below. As to the revision of this rate, Article 21, Paragraph 2 shall apply:</p> <p>(i) For cash advance service and Credit Card loan: <u>20.00% per annum (or 21.90% per annum for the delayed charges incurred by 11 January, 2010)</u></p> <p>(ii) Other than the above: 14.60% per annum</p> <p>2. Notwithstanding the preceding Paragraph, the Credit Cardholder shall pay the following delayed charges on <u>“two (2) installments”, “lump sum payment at the time of bonus” or “installment payments”</u>. The revision of the rate shall be made similarly as the preceding Paragraph:</p> <p>(i) In case of the delay in installment payment, the amount calculated by multiplying the installment amount by 14.60% per annum for the period from the following day of the Contract Payment Date to the full payment date. However, such delayed charges shall not exceed the amount calculated by multiplying the total outstanding installment amounts by <u>the commercial statutory interest rate (6.00% per annum)</u>.</p> <p>(ii) In case of the delay in “two (2) installments” or “lump sum payment at the time of bonus”, the amount calculated, for the period from the following day of the Contract Payment Date to the full payment date, by multiplying the outstanding obligations by the commercial statutory interest rate (6% per annum) (or 14.60% per annum, with regard to the amount of Shopping Use made prior to the end of November 2009 for which the payment has been delayed on or before 11 January, 2010).</p>

Article	Current	New
	<p>(ii) In case of the loss of benefit of term, the amount calculated by multiplying the total outstanding installment amounts by <u>6.00% per annum</u> for the period from the following day of such loss of the benefit of term to the full payment date.</p>	<p>(iii) In case of the loss of benefit of term <u>in connection with installment payments</u>, the amount calculated by multiplying the total outstanding installment amounts by the <u>commercial statutory interest rate (6.00% per annum)</u> for the period from the following day of such loss of the benefit of term to the full payment date.</p> <p>(iv) In case of the loss of benefit of term <u>in connection with “two (2) installments” or “lump sum payment at the time of bonus”</u>, the amount calculated, for the period from the following day of such loss of the benefit of term to the full payment date, by <u>multiplying the outstanding amount of the obligations by the commercial statutory interest rate (6% per annum) (or 14.60% per annum, with regard to the amount of Shopping Use made prior to the end of November 2009 for which the benefit of term has been lost on or prior to 11 January, 2010).</u></p>
<p>Section 7, Article 41 (Loss of the Benefit of Term)</p>	<p>1. When any of the following events occurs with respect to the Credit Cardholder, the Credit Cardholder shall, without any demand from the Bank, immediately pay all the outstanding obligations under the Financing Services and Shopping Use, together with interest thereon and any other obligation incidental thereto:</p> <p>(i) Suspension of payments has occurred or the application has been made for the commencement of bankruptcy proceeding, civil rehabilitation proceeding (including individual rehabilitation proceeding) or for the voluntary arrangement;</p> <p>(ii) Suspension of bank transaction (ginkou torihiki teishi shobun) has been imposed;</p> <p>(iii) When the commencement of inheritance occurs;</p> <p>(iv) The order or notice of provisional attachment, preservative attachment or attachment has been dispatched with regard to the deposits and other claims against the Bank of the Credit Cardholder or of the guarantor; or</p> <p>(v) The address of the Credit Cardholder has become unknown to the Bank, as a result of the Customer’s failure to register the address change or any other reason attributable to the Credit Cardholder.</p> <p>2. In case of any of the following events, the Credit Cardholder shall, upon demand from the Bank, immediately pay all the outstanding obligations under the Financing Services and Shopping Use, together with interest thereon and any other obligation incidental thereto:</p>	<p>1. When any of the following events occurs with respect to the Credit Cardholder, the Credit Cardholder shall, without any demand from the Bank, immediately pay all the outstanding obligations under the Financing Services and Shopping Use, together with interest thereon and any other obligation incidental thereto:</p> <p>(i) Suspension of payments has occurred or the application has been made for the commencement of bankruptcy proceeding, civil rehabilitation proceeding (including individual rehabilitation proceeding) or for the voluntary arrangement;</p> <p>(ii) Suspension of bank transaction (ginkou torihiki teishi shobun) has been imposed;</p> <p>(iii) When the commencement of inheritance occurs;</p> <p>(iv) The order or notice of provisional attachment, preservative attachment or attachment has been dispatched with regard to the deposits and other claims against the Bank of the Credit Cardholder or of the guarantor; or</p> <p>(v) The address of the Credit Cardholder has become unknown to the Bank, as a result of the Customer’s failure to register the address change or any other reason attributable to the Credit Cardholder.</p> <p>2. In case of any of the following events, the Credit Cardholder shall, upon demand from the Bank, immediately pay all the outstanding obligations under the Financing Services and Shopping Use, together with interest thereon and any other obligation incidental thereto:</p>

Article	Current	New
	<p>(i) The Credit Cardholder has delayed any payment of all or any part of the obligations owing to the Bank;</p> <p>(ii) The attachment or auction procedures have been commenced with regard to the subject matter of collateral;</p> <p>(iii) The Credit Cardholder has breached any terms and conditions for any transaction, including the Terms and Conditions, with the Bank; or</p> <p>(iv) Any event other than those prescribed in the preceding Items, for which the Bank is required to take measures to secure its claims, has occurred.</p>	<p>(i) The Credit Cardholder has delayed any payment of all or any part of the obligations owing to the Bank;</p> <p>(ii) The attachment or auction procedures have been commenced with regard to the subject matter of collateral;</p> <p>(iii) The Credit Cardholder has breached any terms and conditions for any transaction, including the Terms and Conditions, with the Bank; or</p> <p>(iv) Any event other than those prescribed in the preceding Items, for which the Bank is required to take measures to secure its claims, has occurred.</p> <p>3. <u>In case where Item 1 of the preceding Paragraph is applicable and if the relevant obligations are obligations of the Contract Payment Amount of Shopping Use (excluding those which constitute any of the Items under this Paragraph), the Bank shall make a request for repayment in writing with specifying a considerable period, which shall be no less than twenty (20) days. If the repayment is not made within such period, the demand under the preceding Paragraph shall be deemed to have been made on the date designated by the Bank (such date shall be a day on or after the completion of such period; provided, however, that the Bank may designate such date in such request for repayment) and the Credit Cardholder shall pay all the outstanding obligations under such Shopping Use, together with interest thereon and any other obligation incidental thereto.</u></p> <p><u>(i) Single payment of Shopping Use.</u></p> <p><u>(ii) "Two (2) installments", "lump sum payment at the time of bonus", "revolving payments" or "installment payments" of Shopping Use for the rights other than the designated rights as stipulated in the Installment Sales Law.</u></p> <p><u>(iii) Payment of Shopping Use in connection with the sale/purchase contract or service provision contract entered into by the Credit Cardholder for the purpose of his/her business or as his/her business (excluding the case in which such contract qualifies as the service provision attractive sales individual contract (gyomu tekikyo yuin hambai kojiri keiyaku) or the chain sales individual contract (rensa hambai kojiri keiyaku) under the Installment Sales Law).</u></p> <p><u>(iv) Other payments of Shopping Use that constitutes any of the Items of Paragraph 1, Article 35-3-60 of the Installment Sales Law</u></p>