



22°N - Hong Kong, China

**Offered for the first time in Japan.  
Start your deposit in Japanese yen and enjoy attractive interest rates.  
Redeemable in Chinese yuan or Japanese yen.  
Chinese Yuan Dual Currency Deposit**

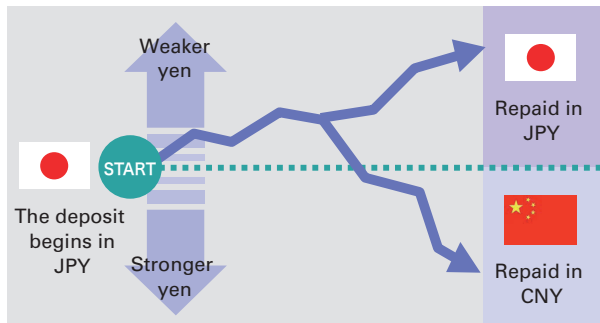
**2.0% p.a.**  
6-month 1.6% p.a. (after tax)

Introducing a new option for investing in the growing Chinese market. "Chinese Yuan Dual Currency Deposit (JPY-CNY)" is a yen-denominated structured deposit. It offers you the opportunity to enjoy an interest rate higher than our regular Japanese yen Time Deposit in exchange for higher FX fluctuation risks. The principal may be repaid at maturity either in Japanese yen or in Chinese yuan. Compared with the rate on the Date for Establishment of Condition, if the prevailing market CNY/JPY rate on the Currency Conversion Clause Determination Date six months later is:

- equal or lower (JPY becomes stronger against CNY), then the principal will be converted to CNY without any exchange fee\*
- higher (JPY becomes weaker against CNY), then the principal will be repaid in JPY

\*Exchange using the CNY/JPY rate determined by the Bank based on the prevailing rate as of 2:00 PM (Tokyo Time) on the Date for Establishment of Conditions.

The below chart illustrates how principal could be repaid at maturity

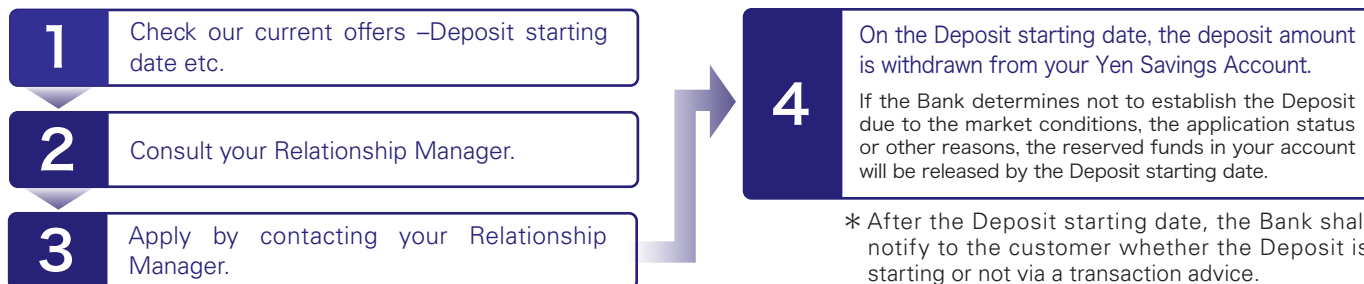


<The interest rate and conditions on this application>	
Product Name:	Chinese Yuan Dual Currency Deposit (JPY-CNY)
Deposit Currency:	Japanese yen (JPY)
Alternative Currency:	Chinese yuan (CNY)
Interest Rate:	2.0% p.a. (1.6% p.a. after tax)
Redemption Currency:	Japanese yen or Chinese yuan
	*Interest is paid in JPY.
Deposit Term:	6-month
Minimum Deposit Amount:	JPY 2,000,000
Available at:	HSBC Premier Branches / Sub Branches
Date for Establishment of Condition:	14 September, 2011
Deposit Start Date:	16 September, 2011
Currency Conversion Clause Determination Date:	14 March, 2012
Maturity Date:	16 March, 2012
Application Period:	<b>1 September, 2011 – 14 September, 2011</b> (9 am Tokyo time) (10 am Tokyo time)

This structured deposit has a risk of principal loss. Please make sure you read the reverse side of this brochure for important notices. Please read "Chinese Yuan Dual Currency Deposit (JPY-CNY):Pre-Contract Explanation Sheet" carefully to ensure that you fully understand the risks and other details before making a transaction.

## Application procedure-Chinese Yuan Dual Currency Deposit (JPY-CNY)

The application process is as follows. Through the consultation, the Relationship Manager will help you fully understand the product. Application through the HSBC Premier Call Centre or Internet Banking is not available.



\* The application amount is reserved in your Yen Savings Account from the application date until the Deposit starting date.

### Important notice

At HSBC Premier, we are committed to proposing products that meet the needs of each customer. To better understand your needs, we may ask you in advance about your investment experience, purpose of investment and acceptable risks in detail. As a result, we may not be able to offer products that do not meet your risk profile or objective. Please read "Chinese Yuan Dual Currency Deposit (JPY-CNY):Pre-Contract Explanation Sheet" carefully to ensure your full understanding.

#### Cancellation

- ◆ In principle, the Deposit or the application for the Deposit cannot be cancelled by the customer once the application period for the Deposit has been closed, even before the Deposit Start Date (Deposit Date).
- ◆ If the Bank considers and accepts it unavoidable and agrees to the cancellation before maturity, the interest for the period from the Deposit Start Date (Deposit Date) until such day of cancellation will be reduced to zero percent (0%).
- ◆ The customer may be required to immediately pay the Cancellation Damages calculated as per the Bank's prescribed formula once the application period for the Deposit has been closed, even before the Deposit Start Date. (The Cancellation Damages will be in the range of 2 to 6% of the principal even when the market situation does not change at all. Depending on the actual market conditions, the Cancellation Damages can be larger than expected. In general, the stronger JPY becomes and the sooner the cancellation is made, the higher the Cancellation Damages becomes.) 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, the exchange fee is required to convert the CNY redeemed at maturity to JPY as per the fee schedule shown below.
- Foreign Currency Exchange Fees (One-way, JPY per CNY 1)

Less than CNY 90,000	CNY 90,000 or above
0.18 yen	0.14 yen

HSBC Premier offers discounted fees for exchange transactions between JPY and CNY based on the transaction amount.

\* For transactions via Internet Banking, 0.18 yen per CNY will be charged regardless of the transaction amount.

\* The maximum amount for each exchange transaction from and to CNY is limited to CNY 900,000 per transaction.

Please enquire regarding higher amount transactions.

#### Foreign Exchange Risk

- ◆ If the principal of the Deposit is to be repaid after being converted into CNY at maturity pursuant to the Currency Conversion Clause, the Strike Rate will be applied to such conversion (the Strike Rate will be higher against the prevailing market CNY/JPY Rate (or, JPY will be weaker against CNY)).

Usually, the Strike Rate in such case is disadvantage to the customer compared to the prevailing market CNY/JPY Rate on the Currency

Conversion Clause Determination Date (please note that the Strike Rate is not the prevailing market CNY/JPY Rate as of the Currency Conversion Clause Determination Date or Maturity Date).

- ◆ In case that the maturity proceeds in CNY are converted into JPY at the prevailing market CNY/JPY Rate at the time of its maturity, there is a possibility that the JPY amount so converted is lower than the initial deposit amount.
- ◆ If the principal of the Deposit is to be repaid in JPY pursuant to the Currency Conversion Clause, the customer will not be able to obtain the foreign exchange gains which can be enjoyed if the customer had established a deposit in CNY at the time of the establishment of the Deposit.

#### Notes on Chinese yuan

- ◆ CNY carries foreign exchange fluctuation risk. Due to foreign exchange fluctuation, the actual JPY equivalent amount in CNY could be smaller than the original amount in JPY at the time of CNY deposit contract (i.e. there is a risk of loss of principal on yen basis).
- ◆ When you convert JPY into CNY (at the time of deposit), or a CNY into JPY (at the time of withdrawal), a one-way foreign currency exchange fee is levied for CNY designated by the Bank (e.g. 0.18 yen per 1 CNY).
- ◆ CNY is a currency under currency/foreign exchange control by the Chinese government. Therefore, the transactions in CNY involve the risk of substantial fluctuation in exchange rates, or even the impracticability of foreign exchange transaction with other currencies, due to the currency policy of the Chinese government, the economic or market conditions, the political situations in China or other factors. In addition, there are other restrictions that may apply: e.g. outward remittances of CNY to Mainland China are not available.

#### Others

- ◆ The offering of the Deposit may be suspended at the discretion of the Bank due to the changes in market conditions and other conditions.
- ◆ Deposits in HSBC are not covered by Japan's Deposit insurance scheme.
- ◆ To qualify for HSBC Premier, you need to maintain a Monthly Average Balance with HSBC Premier Account in Japan of 10 million yen or equivalent in deposits and others. In principle, a Monthly Below Balance Fee of 5,000 yen inclusive of tax will be charged and/or any of the services may be suspended or cancelled if the Monthly Average Balance requirements are not met in the previous month.
- Product fact sheet is available at HSBC Premier branches or on our website.
- Contents in this brochure may change without prior notice.

Please feel free to contact for any enquiries.

HSBC Premier Call Centre  
(24 hours / 365 days)

HSBC Premier customers

0120-777-268

Non-Account holders

0120-89-2028

Available from  
mobile phone  
and PHS.

[www.hsbcpremier.jp](http://www.hsbcpremier.jp)