

**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 specified by the Bank (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 specified by the Bank is at a level where JPY is weaker (AUD is stronger) by certain degree. 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 after the preceding Interest Payment Date (or the Deposit Start Date (Deposit Date) if the first Interest Payment Date is yet to come) 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 (maximum of JPY 2.- per AUD 1.-) will be charged.

As of 17 October, 2011

**【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
Brief Description of Product	<ul style="list-style-type: none"> <li>➤ The Deposit is a structured deposit with the Early Redemption Clause and the AUD Maturity Redemption Clause.</li> <li>➤ By virtue of the Early Redemption Clause, the Deposit may be redeemed in JPY before the Maturity Date. <ul style="list-style-type: none"> <li>• On each Early Redemption Evaluation Date, the Bank will decide whether or not to employ the Early Redemption Clause at its discretion.</li> <li>• 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"> <li>* Please refer to the separate ‘Confirmation of Risks/ Application Form’ for details of Early Redemption Evaluation Dates.</li> </ul> </li> </ul> </li> <li>➤ 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.</li> <li>➤ Interest will be paid semiannually or annually on the respective Interest Payment Dates. <ul style="list-style-type: none"> <li>• The initially applicable interest rate of the Deposit will be the fixed interest rate prescribed at the time of establishment of the Deposit.</li> <li>• 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.</li> <li>• In the event of Early Redemption, interest on the Deposit will not be paid thereafter. <ul style="list-style-type: none"> <li>* Please refer to the separate ‘Confirmation of Risks/ Application Form’ for details of Interest Payment Dates and applicable interest rates.</li> </ul> </li> </ul> </li> <li>➤ The Deposit is offered as Limited Application Period Type for application amount less than JPY 100 Million. <ul style="list-style-type: none"> <li>• Depending on the market conditions and the application status, the Bank may determine that the Deposit will not be established.</li> <li>• The application amount will be held in the customer’s Yen Savings Account</li> </ul> </li> </ul>

	<p>from the Application Date until the Deposit Start Date (Deposit Date), and will not be made available for withdrawal or for other transactions.</p> <ul style="list-style-type: none"> <li>• Even before the Deposit Start Date (Deposit Date), a 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 only during the Bank's prescribed cancellation period.</li> </ul> <p>➤ In principle, the Deposit may not be cancelled by the customer after the establishment.</p> <ul style="list-style-type: none"> <li>• 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 cancellation period is over, the Cancellation Damages may incur even before the Deposit Start Date (Deposit Date)). Therefore, the cancellation proceeds may fall substantially short of the principal amount of the Deposit.</li> </ul>
Deposit Currency	Japanese Yen (JPY)
Redemption Currency	Japanese Yen (JPY) or Australian Dollar (AUD)
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)
Deposit	Minimum Deposit Amount      JPY 500,000
	Deposit Unit                      JPY 1
	Deposit Channel                A lump sum deposit from Yen Savings Account.
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 (up to JPY 2.00 per AUD 1.00).</p>

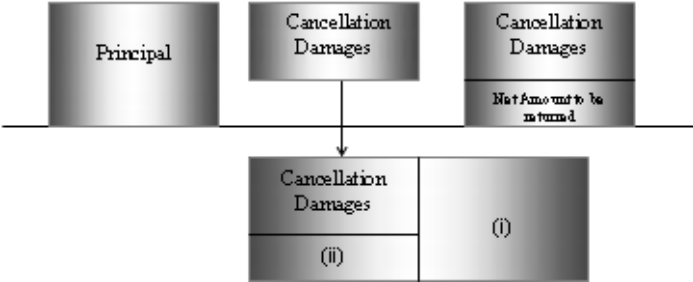
Interest	(i) Applicable Interest Rate	<ul style="list-style-type: none"> <li>➤ Interest rate applicable to the initial interest of the Deposit is fixed at the time of establishment of the Deposit.</li> <li>➤ As to the second and subsequent interest of the Deposit, the Bank will determine the applicable 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: <ul style="list-style-type: none"> <li>• If the AUD/JPY Rate is equal to, or at a level where JPY is weaker (AUD is stronger) in comparison to, the Trigger Rate 2, the higher of the two interest rates will be applicable; and</li> <li>If the AUD/JPY Rate is at a level where JPY is stronger (AUD is weaker) in comparison to the Trigger Rate 2, the lower of the two interest rates will be applicable.</li> </ul> </li> </ul> <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>* A "business day" herein shall mean the day on which the Bank is open to the public for the regular conduct of business in Japan.</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	<p>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> <p>* Please refer to the separate ‘Confirmation of Risks/</p>

	Application Form' for details of Interest Payment Dates.	
	(iii) Interest Calculation Method	Interest will be calculated on the unit of JPY 1.-, on a daily prorated basis over a 365-day year.
Application Method	<p>a) For any order below JPY100 Million, the application will be handled as Limited Application Period Type.</p> <ul style="list-style-type: none"> <li>* 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.</li> <li>* In case of the application for the Deposit of Limited Application Period Type, the customer may cancel such application only during the cancellation period as prescribed by the Bank even before the Deposit Start Date (Deposit Date).</li> </ul> <p>b) For order of JPY100 Million or more, the Deposit may be established upon application.</p> <ul style="list-style-type: none"> <li>* Please confirm at the HSBC Premier Centre or the Relationship Manager for details.</li> <li>* In case of the Deposit individually established, cancellation after the application will not be allowed in principle</li> </ul>	
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> <ul style="list-style-type: none"> <li>* Please refer to the separate 'Confirmation of Risks/ Application Form' for details of Date for Establishment of Conditions (Contract Date).</li> </ul>	
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> <ul style="list-style-type: none"> <li>* Please refer to the separate 'Confirmation of Risks/ Application Form' for details of Deposit Start Date (Deposit Date).</li> <li>* 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.</li> </ul>	
Early Redemption Clause and AUD Maturity Redemption Clause	General Description of the Clauses	<ul style="list-style-type: none"> <li>➤ 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 at a level where JPY is weaker (AUD is stronger) in comparison to, the Trigger Rate 1. In that event, the Deposit will be redeemed in JPY on the Early Redemption Date immediately subsequent to</li> </ul>

	<p>such Early Redemption Evaluation Date; further, interest on the Deposit will not be paid thereafter.</p> <ul style="list-style-type: none"> <li>➤ 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 at a level where JPY is stronger (AUD is weaker) in comparison to the Trigger Rate 1; as a result, the Deposit will be continued.</li> <li>➤ 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.</li> </ul> <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> <p>* A "business day" herein shall mean the day on which the Bank is open to the public for the regular conduct of business in Japan.</p>
Handling at Early Redemption	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ After the early redemption proceeds being credited to the Yen Savings Account,</li> </ul>

	<p>the applicable savings account interest rate will be applied.</p> <ul style="list-style-type: none"> <li>➤ The Bank will send a notice via post about the details of the early redemption.</li> </ul>
Handling at Maturity	<ul style="list-style-type: none"> <li>➤ 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"> <li>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> </li> <li>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> </li> </ul> </li> <li>➤ After the maturity redemption proceeds being credited to the relevant savings account, the applicable savings account interest rates will be applied.</li> <li>➤ The Bank will send a notice via post about the details of the maturity redemption.</li> </ul>
List of Reference Rates	<p><u>Strike Rate</u></p> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ 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.)</li> </ul> <p><u>Trigger Rate 1</u></p> <ul style="list-style-type: none"> <li>➤ 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.</li> </ul> <p><u>Trigger Rate 2</u></p> <ul style="list-style-type: none"> <li>➤ 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.</li> </ul> <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</p>

	Conditions (Contract Date).
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"> <li>➤ In principle, the Deposit may not be cancelled by the customer after the establishment.</li> <li>➤ 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 cancellation period is over, the Cancellation Damages may incur 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.</li> <li>➤ It will require a few business days to complete the procedure after the cancellation request.</li> </ul>
Cancellation Damages	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ 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.</li> <li>➤ 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).</li> <li>➤ 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.)</li> <li>➤ For the specific amount of Cancellation Damages, please confirm at the HSBC Premier Centre or the Relationship Manager.</li> </ul>

	<p><u>Cancellation Damages Image</u></p>  <p>(i) Evaluation of Derivative (ii) Evaluation of Difference between the Deposit Rate and Market Interest Rate</p>
Tax	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ The tax-free small-sum savings system ("Maruyu") is not applicable for interest on the Deposit.</li> <li>➤ 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.</li> </ul>
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	<p>一般社団法人全国銀行協会(Japanese Bankers Association) Contact information: JBA Customer Relations Center Phone 0570-017109 or 03-5252-3772</p>
Notice	<ul style="list-style-type: none"> <li>➤ The Deposit is subject to the Terms and Conditions for Structured Deposit (Section 5).</li> <li>➤ If any of the Maturity Date, Interest Payment Date or Early Redemption Date falls on a Saturday, Sunday, Holiday or a day which is set legally as a non-business day for banks in Japan, or falls on a currency holiday of USD or AUD, the Maturity Date, Interest Payment Date and Early Redemption Date shall be the immediately following business day thereto (or the immediately preceding business day thereto, if such immediately following business day falls in the next calendar month).</li> <li>➤ Investors are exposed to the movement of interest rates whenever their deposits</li> </ul>

are redeemed, tendered or sold prior to maturity. From an economic perspective, the deposits are typically comprised of a zero coupon bond and an option. Movements in interest rates will have an impact upon the bond market or money market and the option. As interest rates move upwards, the value of the deposits generally falls. Moreover, the longer the tenor of the deposits, the more sensitive the deposits will be to interest rate changes.

- 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.

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: 27 October, 2011 (2:00 pm, Tokyo Time)  
(Contract Date)
- Deposit Start Date: 31 October, 2011  
(Deposit Date)
- Maturity Date: 30 October, 2015 (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 at a level where JPY is weaker (AUD is stronger) in comparison to, the Trigger Rate 1.
- Deposit Amount: JPY 1 Million
- Strike Rate: AUD 1=JPY 75.0  
(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 75.0 (same rate with the Strike Rate)
- Trigger Rate 2: AUD 1=JPY 65.0 (AUD/JPY Rate set at the level where JPY is stronger 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: 4.5 % p.a. (3.6% p.a., after tax)
  - \* Fixed interest rate is applied for the first year.
  - 2nd to 4th years: 0.1% p.a. (0.08% p.a., after tax) or 4.5% p.a. (3.6% 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 at a level where JPY is stronger (AUD is weaker) in comparison to 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 0.1% 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 at a level where JPY is weaker (AUD is stronger) in comparison to, 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 4.5 % p.a. (3.6% 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

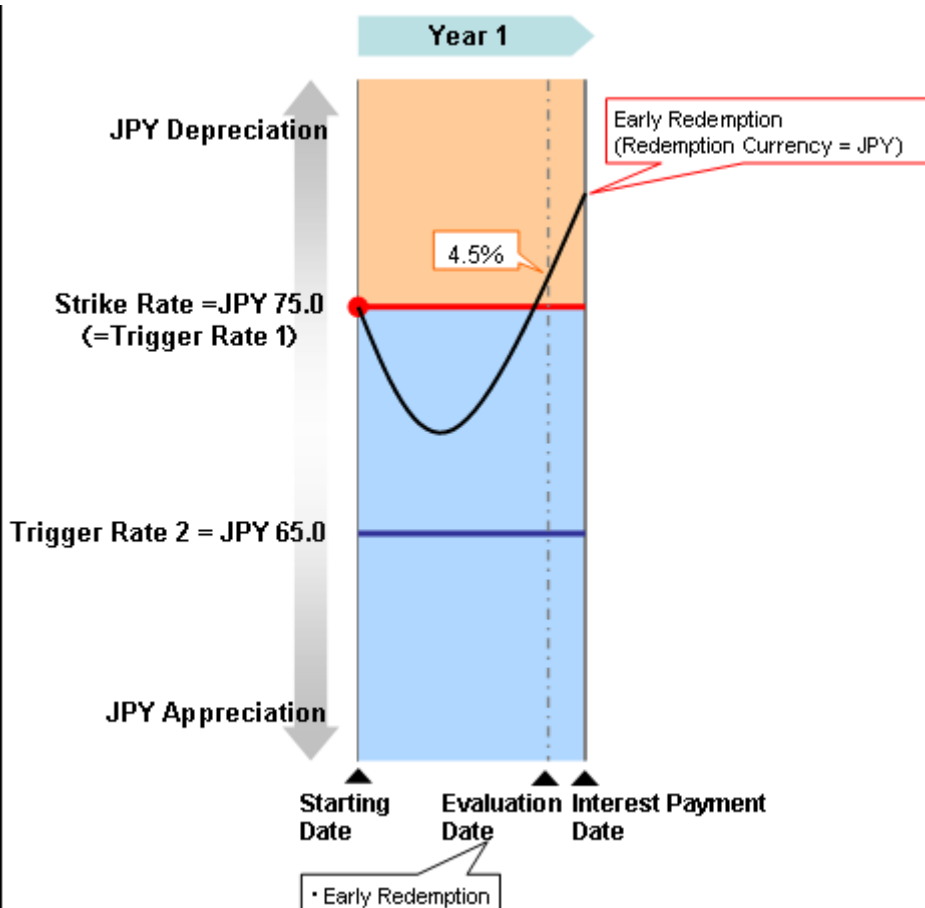
**Scenario 1: Early Redemption after Year 1**

The AUD/JPY Rate as of 3:00 PM of the first Early Redemption Evaluation Date is AUD 1 = JPY 76.5, which is at a level where JPY is weaker (AUD is stronger) in comparison to the Trigger Rate 1 (AUD 1=JPY 75.0).

Applicable interest rate on Year1: 4.5 % p.a. (3.6% 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) + JPY36,000 (interest afer tax) = JPY1,036,000

	AUD/JPY Rate for Evaluation	Strike Rate (=Trigger Rate 1)	Trigger Rate 2	Early Redemption Clause	Interest Rate p.a.	Receipt Amount (after tax)
Year 1	JPY 76.5	JPY 75.0	JPY 65.0	Applied	4.5% (3.6% after tax)	JPY 1,036,000
Year 2	Due to Early Redemption at the end of Year 1, there is no deal from Year 2 and forward.					
Year 3						
Year 4						



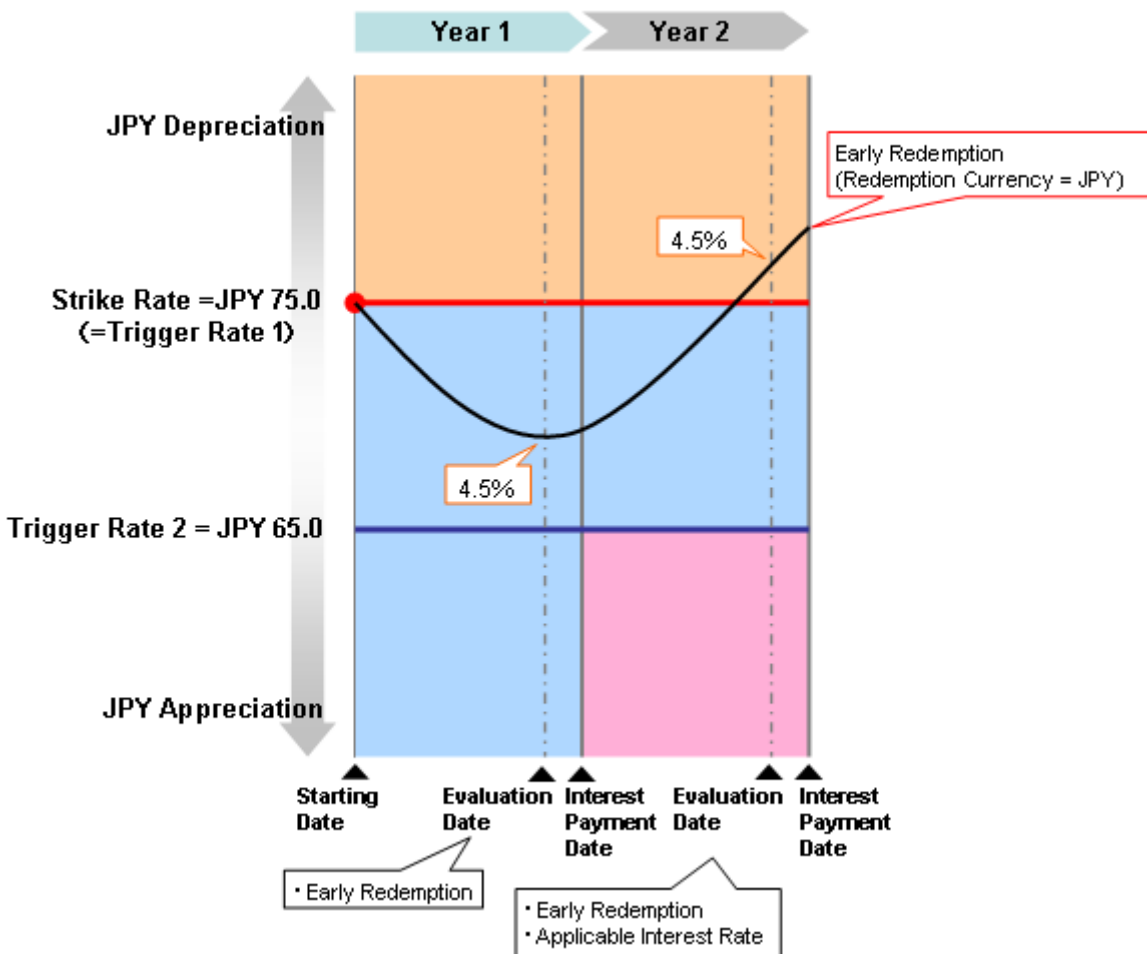
**Scenario 2: Early Redemption after Year 2**

The AUD/JPY Rate as at 3:00 PM of the first Early Redemption Evaluation Date stays at a level where JPY is stronger (AUD is weaker) in comparison to the Trigger Rate 1 (AUD 1=JPY 75.0), and also is equal to, or stays at a level where JPY is weaker (AUD is stronger) in comparison to, the Trigger Rate 2 (AUD 1=JPY 65.0); the AUD/JPY Rate as at 3:00 PM of the second Early Redemption Evaluation Date is at a level where JPY is weaker (AUD is stronger) in comparison to the Trigger Rate 1 (AUD 1=JPY 75.0).

Applicable interest rate on Years 1 - 2: 4.5% p.a. (3.6% 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) + JPY36, 000 (interest after tax) × 2 = JPY1,072,000

	AUD/JPY Rate for Evaluation	Strike Rate (=Trigger Rate 1)	Trigger Rate 2	Early Redemption Clause	Interest Rate p.a.	Receipt Amount (after tax)
Year 1	JPY 69.5	JP:Y 75.0	JPY 65.0	Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 2	JPY 77.0			Applied	4.5% (3.6% after tax))	JPY 1,036,000
Year 3	Due to Early Redemption at the end of Year 2, there is no deal from Year 3 and forward					
Year 4						



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

The AUD/JPY Rate as at 3:00 PM of each of the first to third Early Redemption Evaluation Dates stays at a level where JPY is stronger (AUD is weaker) in comparison to the Trigger Rate 1 (AUD1=JPY 75.0), and also is equal to, or stays at a level where JPY is weaker (AUD is stronger) in comparison to the Trigger Rate2 (AUD 1=JPY 65.0) in Year 1-3; and the AUD/JPY Rate as at 3:00 PM of the last Interest Rate Evaluation Date is AUD 1 = JPY 75.8, which is at a level where JPY is weaker (AUD is stronger) in comparison to the Strike Rate (AUD 1=JPY 75.0).

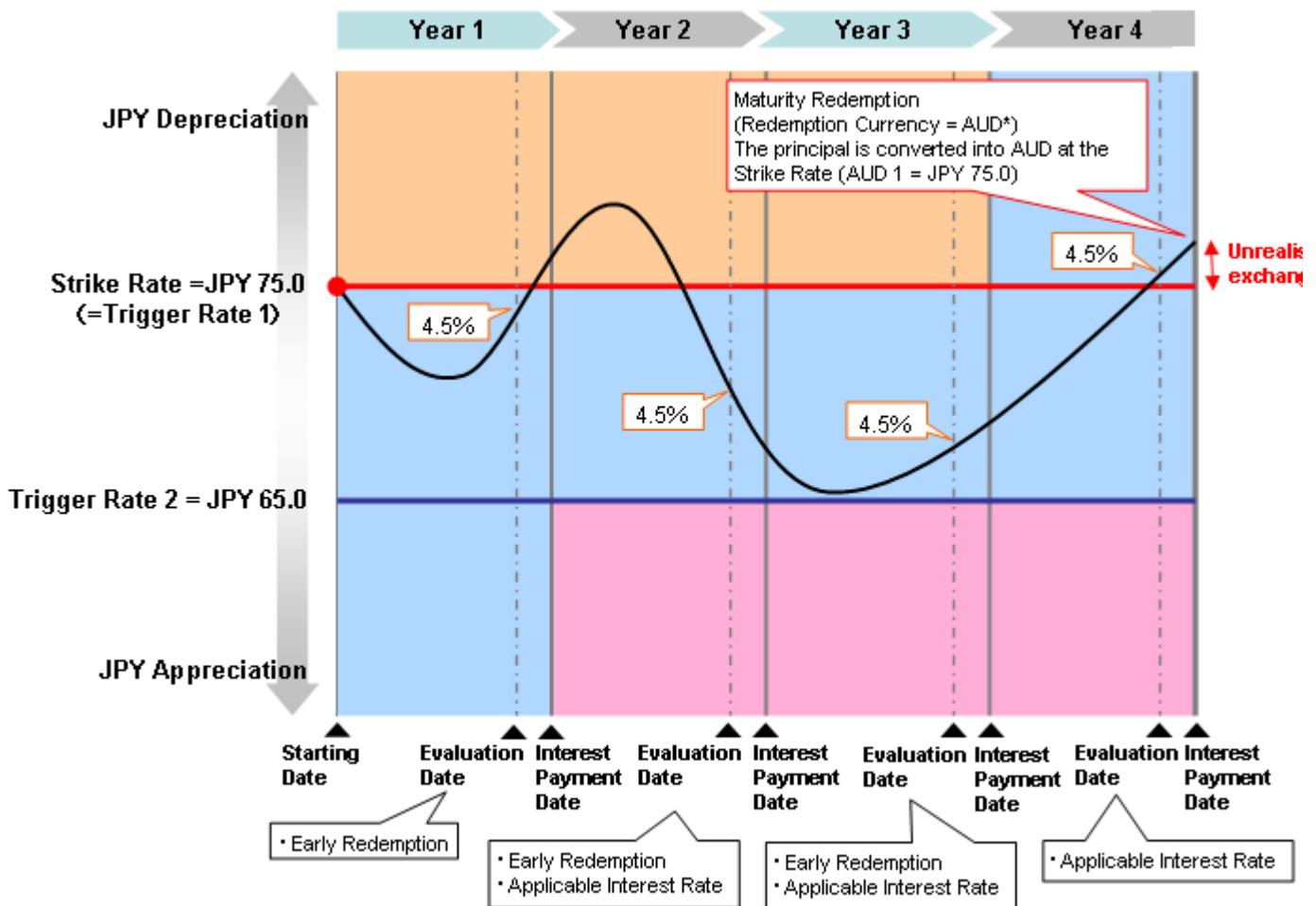
Applicable interest rate on Year 1 to 4: 4.5% p.a. (3.6% p.a., after tax)

The principal is redeemed upon being converted into AUD at the Strike Rate (AUD 1=JPY 75.0) on the Maturity Date. (JPY 1,000,000 / 75.0 = AUD 13,333.33)

[Total amount receivable]

$AUD\ 13,333.33\ (\text{principal}) + JPY36,000\ (\text{interest after tax}) \times 4 = AUD\ 13,333.33 + JPY\ 144,000$

	AUD/JPY Rate for Evaluation	Strike Rate (=Trigger Rate 1)	Trigger Rate 2	Early Redemption Clause	Interest Rate p.a.	Receipt Amount (after tax)
Year 1	JPY 74.0	JPY 75.0	JPY 65.0	Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 2	JPY 70.2			Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 3	JPY 68.0			Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 4	JPY 75.8			Not applied	4.5% (3.6% after tax)	AUD13,333.33 JPY 36,000



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

The AUD/JPY Rate as at 3:00 PM of each Evaluation Date stays below the Trigger Rate 1 (AUD 1=JPY 75.0), and stays equal to or at a level where JPY is stronger (AUD is weaker) in comparison to, the Trigger Rate2 (AUD 1=JPY 65.0) in Years 1-3; and the AUD/JPY Rate as at 3:00 PM of the last Interest Rate Evaluation Date is AUD 1 = JPY 70.5 in Year 4, which is at a level where JPY is stronger (AUD is weaker) in comparison to the Strike Rate (AUD 1=JPY 75.0).

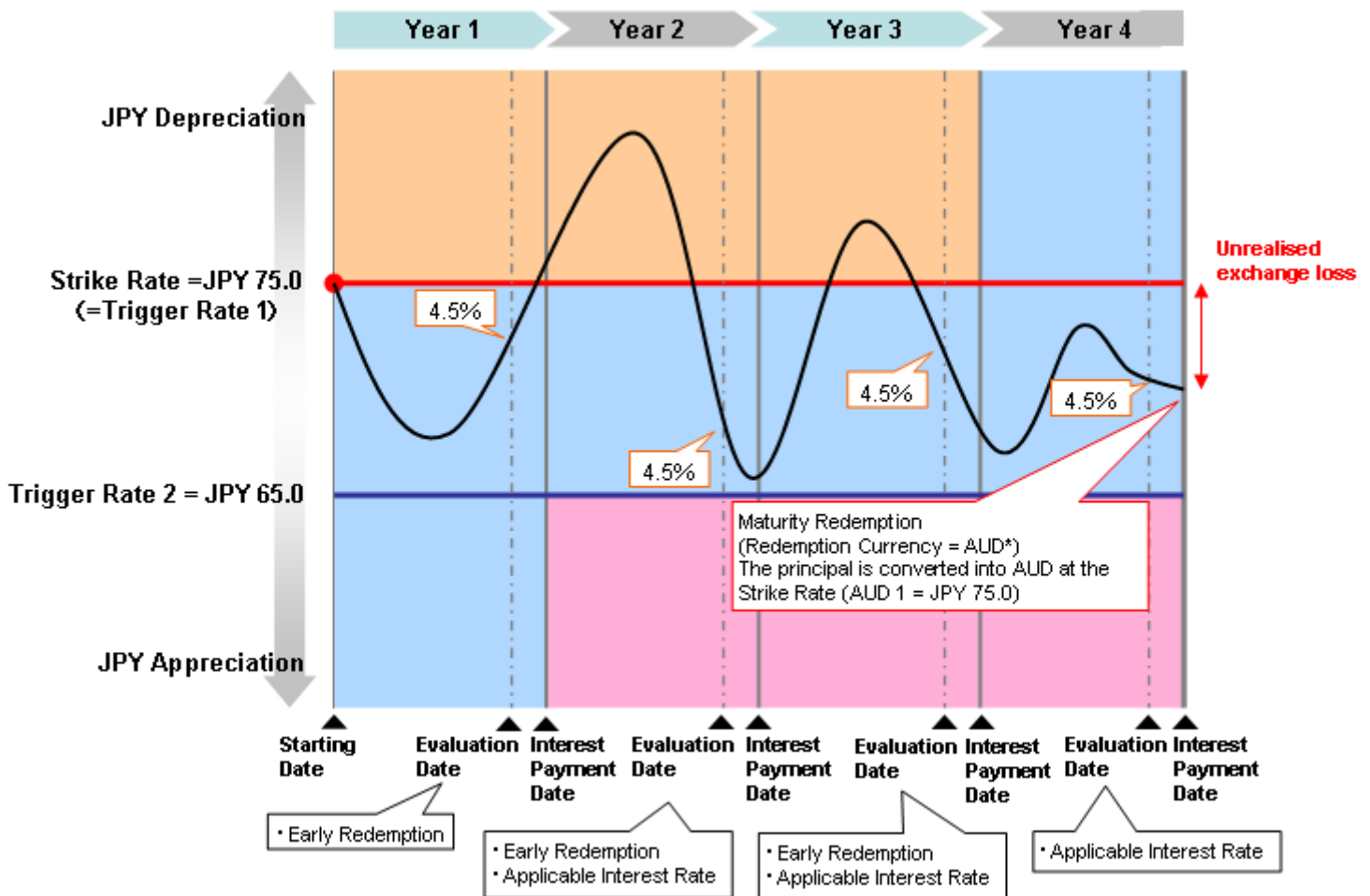
Applicable interest rate on Years 1 to 4: 4.5% p.a. (3.6% p.a., after tax)

The principal is redeemed upon being converted into AUD at the Strike Rate (AUD 1=JPY 75.0) on the Maturity Date. (JPY 1,000,000 / 75.0 = AUD 13,333.33)

[Total amount receivable]

$$\text{AUD } 13,333.33 \text{ (principal)} + \text{JPY } 36,000 \text{ (interest after tax)} \times 4 = \text{AUD } 13,333.33 + \text{JPY } 144,000$$

	AUD/JPY Rate for Evaluation	Strike Rate (=Trigger Rate 1)	Trigger Rate 2	Early Redemption Clause	Interest Rate p.a.	Receipt Amount (after tax)
Year 1	JPY 72.0	JPY 75.0	JPY 65.0	Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 2	JPY 68.2			Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 3	JPY 71.5			Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 4	JPY 70.5			Not applied	4.5% (3.6% after tax)	AUD 13,333.33 JPY 36,000



**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)**

The AUD/JPY Rate as at 3:00 PM of the each Evaluation Date stays at a level where JPY is stronger (AUD is weaker) in comparison to the Trigger Rate 2 (AUD 1=JPY 65.00) in Years 1-3 and ends at JPY 60.8 in Year 4, which is at a level where JPY is stronger (AUD is weaker) in comparison to the Strike Rate (AUD 1=JPY 75.0).

Applicable interest rate on Year 1: 4.5% p.a. (3.6% p.a., after tax)

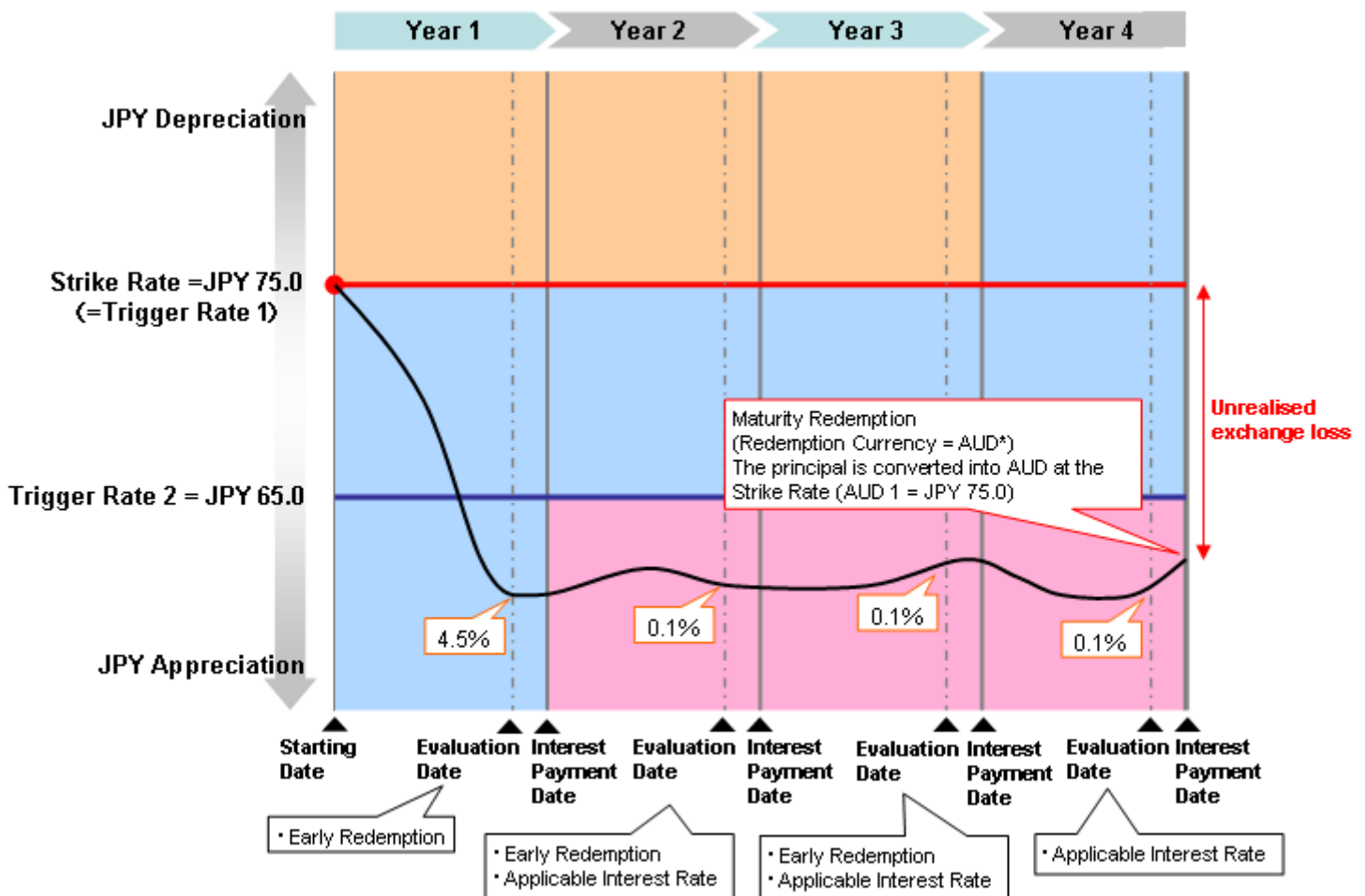
Applicable interest rate on Years 2 to 4: 0.1% p.a. (0.08% p.a., after tax)

The principal is redeemed upon being converted into AUD at the Strike Rate (AUD 1=JPY 75.0) on the Maturity Date. (JPY 1,000,000 / 75.0 = AUD 13,333.33)

[Total amount receivable]

AUD 13,333.33 (principal) + JPY36,000 (interest before tax) + JPY800 (interest before tax) ×3= AUD 13,333.33 + JPY 38,400 (JPY 50,400 after tax)

	AUD/JPY Rate for Evaluation	Strike Rate (=Trigger Rate 1)	Trigger Rate 2	Early Redemption Clause	Interest Rate p.a.	Receipt Amount (after tax)
Year 1	JPY 61.3	JPY 75.0	JPY 65.0	Not applied	4.5% (3.6% after tax)	JPY 36,000
Year 2	JPY 61.5			Not applied	0.1% (0.08% after tax)	JPY 800
Year 3	JPY 62.1			Not applied	0.1% (0.08% after tax)	JPY 800
Year 4	JPY 60.8			Not applied	0.1% (0.08% after tax)	AUD13,333.33 JPY 800



**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.

## <Appendix> Kangaroo Deposit - Simulation of Profit/Loss

### <Estimated Loss in case of Maturity Redemption>

This is a simulation of loss in case that the amount equivalent to the maturity proceeds of the Deposit redeemed in AUD is converted into JPY immediately upon maturity, after the 4-year deposit term.

This simulation is based on the following premises.

1. Deposit Amount: JPY 10,000,000
2. AUD/JPY Rate on the Contract Date: 80.00
3. Maturity Redemption (no early redemption on any of the semi-annual early redemption dates)

AUD/JPY Rate as of Maturity Date	Maturity proceeds of the Deposit redeemed in AUD(=Deposit Amount÷80.00)	JPY amount to be received for the maturity proceeds in AUD as a result of conversion to JPY immediately upon maturity (foreign exchange fees not considered)	Profit/Loss per Deposit Amount of JPY 10,000,000	Percentage of Profit/Loss per Deposit Amount
50.00	AUD	125,000.00	6,250,000	(3,750,000)
55.00	AUD	125,000.00	6,875,000	(3,125,000)
60.00	AUD	125,000.00	7,500,000	(2,500,000)
65.00	AUD	125,000.00	8,125,000	(1,875,000)
70.00	AUD	125,000.00	8,750,000	(1,250,000)
75.00	AUD	125,000.00	9,375,000	(625,000)
80.00	AUD	125,000.00	10,000,000	0
85.00	AUD	125,000.00	10,625,000	625,000
90.00	AUD	125,000.00	11,250,000	1,250,000

- Unrealised loss becomes larger if the AUD/JPY Rate as of Maturity Date is lower (or, JPY becomes stronger against AUD). (Actual loss will not occur if not converted into JPY.) (Actual loss will not realise if not converted to JPY.)
- For example, if the AUD/JPY Rate as of the Maturity Date is 50.00 (including the foreign exchange fee), the maturity proceeds in AUD of the Deposit (AUD 125,000.00) will be converted to JPY 6,250,000 immediately upon maturity; resulting in a loss of 37.5% of the Deposit Amount.
- Under the worst case scenario based on the past performance data (\*1), the Deposit could have been redeemed in AUD after 4 years with 28% unrealised capital loss. However, please note the past performance data do not guarantee the future results. The loss for a particular Deposit, in actuality, could be larger than that.

(\*1) Based on the month-end AUD/JPY Rates from October 1997 to September 2007. Percentages of unrealised loss of the Deposits at maturity have been estimated on the assumption that, during such period, the Deposits started on each month-end with the applicable month-end AUD/JPY Rate, which rate is compared with the AUD/JPY Rate as of 48 months thereafter.

### <Estimated Loss in case of Cancellation before Maturity>

- Depending on the market conditions (\*2), the Cancellation Damages can be as much as 53% of the Deposit Amount, if the Deposit is cancelled before Maturity Date
- The Cancellation Damages can be larger than 53% of the Deposit Amount, if the market conditions should change beyond the assumption used for this simulation.
- There may be cases where the cancellation of the Deposit before its maturity may not be permitted due to market conditions.

(\*2) Based on the assumption that exchange-rate of AUD / JPY is lowered by 48% and volatility surged by 28%.

【Conditions precedent】

- AUD/JPY exchange rate is lowered by the ratio of maximum fluctuation range during 1 Oct 2001 and 30 September 2011.
- The Deposit starts with lowest, and is cancelled with highest AUD/JPY exchange rate volatility during 1 Oct 2001 and 30 September 2011

### <Notes>

- The above simulations were conducted based on the simplified means.
- The actual losses might be larger than those shown in the above simulations, if the actual market conditions are different from the premises of such simulations.
- The cancellation before maturity of the Deposit is allowed only when the Bank accepts it as unavoidable.

**As of October 2011**