

Important Announcement for HSBC Premier Customers

Issued on 22 February, 2012

Revised on 7 March, 2012

It is with regret that we announce that following a strategic review of our operations globally, the HSBC Group has regrettably decided to discontinue our HSBC Premier service in Japan.

What does this mean to me?

All mortgages and currently held open-end products, such as unit trusts and structured products, will continue to be serviced and you do not need to undertake any specific action if you hold any of these products.

However, the following changes will be made to the Premier service:

- From 23 February, 2012, we will no longer open new customer accounts
- We will no longer offer new investment products from 8 March, 2012
- We will be progressively ending operations at our network of branches and sub-branches according to the following schedule(*1):
 - Nagoya sub-branch will end operations on 27 April, 2012
 - Akasaka(*2), Hiroo, Marunouchi(*3), Osaka sub-branch, and Yokohama will end operations on 31 July, 2012
- In-branch ATMs will end service in line with the branch closures
- ATMs at Narita Airport and the Tokyo Branch of The Hongkong Shanghai Banking Corporation at Nihonbashi can be used until 31 July, 2012
- Japan Post, 7-Eleven and overseas ATMs can continue to be used until 28 December, 2012 (Tokyo time)
- From 1 August, 2012, limited HSBC Premier services will be available at the Tokyo Branch of The Hongkong Shanghai Banking Corporation in Nihonbashi. We will send you further details about this location and the services available there in the near future.
- Online banking will continue until 28 December, 2012, however online sales of unit trusts and DCDs will end on 7 March, 2012.
- With immediate effective, we will no longer charge Below Balance Fees

Note (*1) Subject to regulatory approval (*2) Includes Akasaka Alpha (*3) Includes Marunouchi Alpha

What do I need to do?

We will keep you fully informed of all changes in a timely manner and let you know all the options available to you and the next steps you need to take. The Premier Call Centre (call toll-free at 0120-777-268) is also available to assist you.

Thank you for your patronage and please accept our apologies for any inconvenience that this decision may cause you.

Issued : 22 February, 2012

1st revise : 7 March, 2012

2nd revise: 28 March, 2012

Frequently Asked Questions

When will branches close?

Nagoya sub-branch (27 April, 2012)

Akasaka, Hiroo, Marunouchi, Osaka sub-branch, Yokohama (31 July, 2012)

From 1 August, 2012, limited HSBC Premier services will be available at the Tokyo Branch of The Hongkong Shanghai Banking Corporation in Nihonbashi. Further details about this will be sent to you in the near future.

Will my account be closed? Until when do I have to close my account?

You will continue to have access to your account with outstanding balance until you decide to close it. As mentioned above, we are progressively ending our services. If you decide to close your account, we will help you transfer your holdings to another financial institution free of charge.

How can I close my account?

To close your account, please contact your Relationship Manager or Premier Call Centre (call toll-free at 0120-777-268). Also, account closure application forms can be downloaded from HSBC Premier website at www.hsbcpremier.jp.

What will happen to my savings account?

You will continue to have access to your account until you close it. ATMs and Internet Banking will end services on the respective designated dates. We will help you transfer your holdings to another financial institution free of charge.

What will happen to auto direct debit services and standing instruction service?

If you are currently using auto direct debit service and standing instruction service, these services will be terminated on 28 June, 2012 and will not be processed after that day. You can remit the fund to the registered accounts after that day, however, the request of remittance is required in each case.

No new application for subscription for the services is accepted after 7 March, 2012.

What will happen to my foreign currency/fixed term time deposit accounts?

These will remain open until product maturity and then the deposits will be transferred into your savings account after which we will help you close your account and transfer the proceeds to another financial institution, where possible, free of charge. From 8 March, 2012, we no longer offer new investment products.

As for automatic-renewal type time deposits, those maturing on or before 29 June, 2012, will be renewed automatically. However, as for the deposits maturing on or after 2 July, the maturity proceeds will be transferred to the Multi Currency Savings Account in the same currency on its maturity date, regardless of its renewal setting.

Until when will I be able to use my ATM services?

- **Schedule for ATM network services:**

In-branch ATMs, ATMs at Narita Airport and Nihonbashi can be used until 31 July, 2012. Japan Post, Seven Bank and overseas ATMs can continue to be used until 28 December, 2012 (Tokyo time).

- **ATM Card replacement to comply with new standard of ATM services in Japan:**

Current ATM Card (IC Chip ATM Card) will be replaced with a new ATM Card (Magnetic Stripe ATM Card) which will be delivered to your registered address with the bank in early April 2012.

Please be advised that from 1 May, 2012 onward, your existing ATM Cards can no longer be accepted either at domestic or international ATMs.

Please be aware of the following in switching to the new ATM Card:

- Your existing ATM Cards will expire once you use new ATM Card
- Even if you do not use new ATM Card, your existing ATM Card will expire at the end of April 2012
- New ATM Card service schedule is subject to ATM services

Will I still be able to undertake online banking?

Purchase of Dual Currency Deposit and Unit Trust and new opening of Time Deposit has stopped from 8 March, 2012 onward. However, please note that limited online banking services will continue to be available until 28 December, 2012.

What will happen to my dual currency deposit account?

This will remain open until product maturity and then the deposits will be transferred into your savings account. From 8 March, 2012, we no longer offer new investment products.

What will happen to my RMB deposit account?

We will continue to service this account and we will assist you in transferring the balance to another financial institution.

If I have to convert these foreign currency deposits back to JPY now, I will be adversely affected. What should I do?

You do not have to convert foreign currency deposits back to JPY and we will assist you in transferring the balances to another financial institution, where possible, and closing your account, free of charge.

I have a unit trust/structured product. What will happen to this?

We will continue to service all currently held unit trusts/structured products and help you transfer the holdings of these to another financial institution where possible.

What will happen to my mortgage/balance-offset mortgage?

We will continue to service your mortgage under the current terms and conditions.

I use HSBC Premier credit card. What will happen to this?

Credit card services will end on 7 September, 2012 and your Japan issued HSBC Premier credit card will become invalid from 8 September, 2012. In-line with the ending of credit card services, credit card services and privileges will be demised as follows:

- Airport Lounge services, baggage delivery services, home&Away Programme and other card privileges will no longer be offered beyond 11 June, 2012.
- The Reward programme will come to an end and the points shown in your May 2012 credit card statement (payment due date 11 June, 2012) will be the final total. Valid reward points can be converted to airline miles, gift vouchers, cash back, or charity programme donation by 5 July, 2012. Points can be exchanged either via HSBC Premier Internet banking or through the HSBC Premier Call Centre. Please note that all reward points will become invalid after 6 July, 2012.
- Your ETC Card will become invalid after 8 September, 2012. Please note that we will continue accepting renewal of ETC cards that expire in June 2012 or before, however, such renewed card cannot be used after 8 September, 2012. We will not accept renewal of ETC cards that expire in July 2012 or later.

Please be aware that if you close your HSBC Premier account in Japan before 7 September, 2012, your HSBC Premier credit card will be cancelled and all outstanding balances will need to be settled by the time of account closure. We also ask that you exchange your reward points before card cancellation.

I have Premier accounts both in Japan and overseas. What will happen to my overseas account following the closure of my Premier account in Japan?

Your Premier account overseas will continue to be available to you. However, please note that you will be required to meet overseas local Premier eligibility criteria in at least one country where you hold your Premier account overseas in order to avoid Below Balance Fees from being incurred.

• Customers qualified for Premier eligibility overseas:

As you are qualified for overseas local Premier eligibility requirements, your overall Premier status will remain unchanged and your Premier account overseas will continue to be available to you.

• Customers qualified for Premier eligibility only in Japan:

Please contact your Relationship Manager by 31 July, 2012 to help you in choosing which country you wish to qualify in.

While I currently only have a Premier account in Japan, I am interested in opening an overseas account. What should I do?

We can support you open an overseas Premier account in several countries around the world, including Hong Kong and Singapore. However, we will no longer offer the support service from 1 August, 2012. Please contact your Relationship Manager for further information about this.