

**Change of Service Fees for HSBC Smart Home Mortgage Loan
and HSBC Smart Investment Mortgage Loan**

Thank you very much for banking with HSBC.

Effective 1 April, 2014, the Service Fees of Home Mortgage Loan and Investment Mortgage Loan will be changed as follows.

Fee for Changing Applicable Interest Rate

The fee will be charged for changing the Applicable Interest Rate to be paid on the date of such change.

Current Fee : JPY10,500. (tax inclusive) (per Mortgage Loan per event)

New Fee : JPY10,000. (tax inclusive) (per Mortgage Loan per event)

*In case of the mortgage loan with the Fixed Interest Rate, if the same Fixed Period as is designated as the new Fixed Period (or deemed to have been designated as such, when the customer does not request any changes of the Applicable Interest Rate), it will not be considered as the change in the Applicable Interest Rate and the fee will not be charged.

Prepayment Fee

Partial prepayment is available in the amount of JPY 1 Million or more (in units of JPY100,000). The prepayment fee will be charged, to be paid on the day such prepayment is made. (In case of full prepayment, no prepayment fee will be charged.)

Current Fee : 1.05% of the amount prepaid (tax inclusive)

New Fee : 1.00% of the amount prepaid (tax inclusive)

Fee for Changing Home Mortgage Loan to/from Balance Offset Type

The fee will be charged for changing the type of the Home Mortgage Loan from the Non-Balance Offset Type (Regular Type) to the Balance Offset Type or vice versa, to be paid on the day of such change.

Current Fee : JPY31,500. (tax inclusive) (per Mortgage Loan per event)

New Fee : JPY30,000. (tax inclusive) (per Mortgage Loan per event)

For any enquiries, please contact The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch (English 0120-777-268), between 9:00 and 17:00 (Tokyo Time) on weekdays.

Sincerely yours,

The Hongkong and Shanghai Banking Corporation Limited