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HSBC LAUNCHES NEW CONSUMER FINANCE BUSINESS

HSBC has launched a new consumer finance business in Australia to offer retailers and their customers more choice in products and providers when it comes to point-of-sale credit.

“HSBC’s range of point-of-sale credit products is broader and more competitively priced than any currently available to consumers,” said HSBC’s head of consumer finance, Rod Hyde.

“Combined with HSBC’s advanced in-store web-based application process, these products bring competition to a market where choice in recent years has been limited,”

HSBC’s consumer finance business will deliver benefits to both retailers and consumers in the form of more flexible product offerings, more competitive pricing and on-the-spot approvals for customers.

“The last 12 months has seen increased competition in the credit card market. Now HSBC is bringing similar competition to the point-of-sale credit market,” Hyde said.

HSBC’s range of point-of-sale credit products includes:

1. HSBC classic credit card with interest free and payment deferred options. Subsequent purchases are possible and consumers have access to HSBC’s Rewards Plus program.
2. HSBC personal line of credit with interest free and payment deferred options at a rate significantly lower than comparable products currently in the market.
3. HSBC interest-free and interest bearing personal loan, which requires a fixed

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repayment schedule to pay out the loan to assist customers in budgeting and controlling their finances.

In Australia, HSBC has the 7th* largest bank credit card receivables in Australia and through this new consumer finance strategy HSBC expects to grow this considerably.

Internationally, HSBC is one of the world's largest credit card issuers, with over 5.6 million credit cards in the Asia Pacific region alone.

HSBC's advantage in this consumer finance area comes from its global experience in offering flexible point-of-sale credit products, advanced risk-assessment and best-in-class technology from both HSBC in the UK and HSBC Finance Corporation in the USA (formerly Household International, Inc).

"HSBC's global knowledge and experience comes to this point-of-sale credit market with more efficient processing and cheaper products," said Hyde.

"Our customers will benefit from that."

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Notes to editors

Footnotes

*December 2005 APRA Monthly Banking Statistics

HSBC in Australia

In Australia, the HSBC Group offers an extensive range of financial services through a network of 35 branches and offices. These services include personal and commercial financial services, trade finance, non-advisory stockbroking, treasury and financial markets, financial planning and securities custody.

Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited, HSBC Precious Metals (Australia) Limited and HSBC Bank plc. HSBC is marketed worldwide as 'the world's local bank'.

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