

18 August 2008

HSBC CUTS FIXED HOME LOAN RATES NEW RATES RANGE FROM 7.99% TO 8.99%

HSBC Bank Australia has reduced its range of fixed interest rates by between 35 and 130 basis points. New home lending can benefit from a promotional three-year fixed rate of 7.99 per cent while standard fixed rates for one, two and three-years have been cut to 8.99 per cent and four and five-year rates cut to 8.90 per cent.

John Lane, head of home loans for HSBC Australia, said “The recent fall in cost of funds, combined with HSBC’s ability to take advantage of global market conditions, have allowed us to introduce the lowest three-year fixed home loan rate in the Australian market.

“These reductions can provide borrowers welcome relief from recent increases in variable interest rates.

“Recent weeks have seen a significant reduction in the medium and long-term cost of fixed rate funds in the commercial market, with yields loosening as the market factors in the expectation of a cut in official interest rates in the coming months,” Lane said.

“HSBC has also positioned itself for volatility, with our capital strength and global intelligence giving us a significant trading advantage over other institutions. Our ability to take advantage of market conditions has allowed us to pass on the benefit of lower cost of funds to our retail customers,” he said.

HSBC’s fixed rates have been adjusted as follows:

| Product | Previous interest rate | New interest rate |
|--|-------------------------------|--------------------------|
| 1 year fixed rate | 9.44% | 8.99% |
| 2 year fixed rate | 9.39% | 8.99% |
| 3 year fixed rate | 9.29% | 8.99% |
| 3 year fixed rate for new-home lending | 9.29% | 7.99% |
| 4 year fixed rate | 9.25% | 8.90% |
| 5 year fixed rate | 9.29% | 8.90% |

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HSBC cuts fixed home loan rates/2

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Notes to editors

HSBC Bank 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, financial planning, trade finance, treasury and financial markets, payments and cash management and securities custody.

Principal HSBC Group members operating in Australia include HSBC Bank Australia Limited (ABN 48 006 434 162) and The Hongkong and Shanghai Banking Corporation (ABN 65 117 925 970). HSBC is marketed worldwide as 'the world's local bank'.

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