

Business Term Deposit Account

Combined Financial Services Guide and
Product Disclosure Statement

6 December 2010

HSBC Business

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Product Disclosure Statement

About this Product Disclosure Statement (PDS)

This PDS contains information about the Business Term Deposit Account, which is issued by HSBC Bank Australia Limited (ABN 48 006 434 162 AFSL 232595). It will help you to decide whether the Business Term Deposit Account is right for you, and to compare term deposit accounts.

The PDS has 4 Parts:

- Part 1 – the PDS part of this document;
- Part 2 – Business Term Deposit Account Fees and Charges;
- Part 3 – HSBC Business Fees and Charges; and
- Part 4 – Business Term Deposit Account Interest Rates.

You will be given Parts 1 - 3. Part 4 is available at www.hsbc.com.au or on request, at no charge. For current fees and charges and interest rates you can also call 1300 731 720 (or from overseas +61 2 9005 8414). You will also be given the Terms and Conditions.

All of these documents contain information about the Business Transaction Account. If you need another copy of any of them, please call 1300 731 720 (or from overseas +61 2 9005 8414) or ask at any branch.

Our contact details

HSBC Bank Australia Limited
580 George Street, Sydney NSW 2000
Phone: 1300 731 720 (or from overseas +61 2 9005 8414)
Fax: +61 2 9006 5440
www.hsbc.com.au

To report lost or stolen Access Codes or suspected unauthorised transactions

In Australia: Call 1300 731 720
Overseas: Call +61 2 9005 8414

If we are not notified you may be liable for unauthorised use – see the Banking Electronically Terms section of the Terms and Conditions.

About Business Term Deposit Account

Business Term Deposit Account:

- offers an interest rate that is generally higher than a normal savings account;
- offers a choice of terms from 1-12 months, 15 months, 18 months and 2-5 years; and
- is available in major foreign currencies for the terms offered (see page 2).

About the HSBC Group

Headquartered in London, the HSBC Group is one of the largest banking and financial services organisations in the world. Its international network comprises some 8,000 properties in 87 countries and territories in Europe; Hong Kong; Rest of Asia-Pacific; the Middle East; North America and Latin America. With listings on the London, Hong Kong, New York, Paris and Bermuda stock exchanges, shares in HSBC Holdings plc are held by over 220,000 shareholders in 121 countries and territories. The shares are traded on the New York Stock Exchange in the form of American Depositary Receipts.

HSBC provides a comprehensive range of financial services to around 100 million customers through four customer groups and global businesses: Personal Financial Services (including consumer finance); Commercial Banking; Global Banking and Markets; and Private Banking.

HSBC has assets of US\$2,364 billion at 31 December 2009. With a tier one capital ratio of 10.8% and a loan to deposit ratio of 77.3% at 31 December 2009, HSBC is one of the most strongly capitalised and liquid banks in the world. HSBC is marketed worldwide as "the world's local bank".

The HSBC Group in Australia

In Australia, the HSBC Group offers an extensive range of financial services through a network of 32 branches and offices. These services include personal and commercial financial services, financial planning, trade finance, global 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 Limited (ABN 65 117 925 970).

Business Term Deposit Account – key features

With a Business Term Deposit Account your deposit is locked in for a fixed term therefore it is ideal for cash investments over a fixed period of time where the return is fixed during that period.

It offers an interest rate that is generally higher than a normal savings account and the choice of terms available are from 1-12 months, 15 months, 18 months and 2 -5 years. Depending on your maturity instruction, the Business Term Deposit Account can be renewed automatically at maturity.

The table below shows the key features of the Business Term Deposit Account.

Minimum deposit ^	Australian Dollars (AUD)	\$20,000
	Canadian Dollars (CAD)	\$25,000
	Euro (EUR)	€ 20,000
	Great Britain Pound Sterling (GBP)	£10,000
	Hong Kong Dollars (HKD)	\$150,000
	Japanese Yen (JPY)	¥2,000,000
	New Zealand Dollars (NZD)	\$25,000
	Singapore Dollars (SGD)	\$25,000
	United States Dollars (USD)	\$20,000
	^ Exception and other currencies not listed above may be accepted by arrangement.	
Access	Internet, telephone, electronic and in person at branches (see the Account Access Summary and the Restrictions on deposits and withdrawals sections).	

Interest rate	<p>The interest rate applicable to your Business Term Deposit Account will be our prevailing interest rate at the time your Account is opened or renewed. The interest rate is a fixed rate that will not change during the agreed term of your deposit for your Account unless you withdraw the deposit before the end of that term.</p> <p>The rate is set out on the date your application is received and is recorded in the New Term Deposit Confirmation for your Account. Your Account will start earning interest from the date we receive your deposit and completed application form is processed.</p> <p>Current rates are set out in Part 4 of this PDS, Business Term Deposit Account Interest Rates, which is available at www.hsbc.com.au or on request, at no charge. You can also call 1300 731 720 (or from overseas +61 2 9005 8414).</p>
When is interest calculated?	Daily.
When is interest credited?	Interest is credited at maturity of the Business Term Deposit Account or annually for Business Term Deposit Accounts with a term greater than 12 months.
Where is interest credited?	You may choose to have interest credited to a nominated bank account or paid by bank cheque or some other form agreed by us.
Statements of account	You agree that statements of account need not be provided for Business Term Deposit Accounts, however you will receive a letter of confirmation after the Business Term Deposit Account is opened. If you have other accounts with HSBC, you may receive a consolidated statement of account which includes your Business Term Deposit Account.

<p>Withdrawals before the end of the term</p>	<p>Withdrawals may be made before the end of the specified term. However, if you withdraw funds from your Account before the end of the term, the interest you receive may be reduced by up to 50% and an administration fee will apply. If you want to withdraw from your Account you must withdraw all funds and the Account will be closed. Your withdrawal instruction will not be effective unless you tell us what to do with all of the money in the Business Term Deposit Account.</p> <p>If you have already been paid interest at the full rate, the principal amount payable to you when we close the Account will be reduced to put you in the same position as if interest on the amount deposited had been reduced by up to 50% of the whole time the Account was open.</p> <p>Please refer to part 2 of this PDS, Business Term Deposit Account Fees and Charges for more detail.</p>
<p>What happens when a Term Deposit matures?</p>	<p>On maturity of a Business Term Deposit Account, we will act in accordance with the maturity instructions provided by you for dealing with the principal deposit (that is, principal and any interest that has not already been paid).</p> <p>We need to receive an updated maturity instruction in writing, at least two Banking Days before the maturity, for it to be effective. The updated maturity instruction is for the principal deposit and the available maturity instructions include:</p> <ol style="list-style-type: none"> 1. the account to be closed and the principal deposit to be repaid in cash; 2. the account to be closed and the principal deposit to be paid by bank cheque(s); 3. the account to be closed and the principal deposit to be credited to a nominated bank account; or 4. the principal deposit to be renewed with or without additional funds. <p>In the event where there are no maturity instructions provided to us at least two Banking Days before the maturity date, we will renew the principal deposit for the same term at the standard interest rate applicable on the date of maturity. The principal deposit amount renewed will be the principal and any interest that has not already been paid. If this occurs then the interest rate you receive may be less than the interest rate you received from your previous Business Term Deposit Account.</p>

Account access summary

	Open Account	Update Account Maturity Instruction	Early Withdrawal	Close Account	Who can access?
Branch ¹	√	√	√	√	Account Signatories
Phone Banking ² : Agent Assisted	√	√	√	√	Delegates
Phone Banking ² : Automated	√	√	X	X	Delegates*
Internet Banking ²	√	√	X	X	Delegates*

* For "Open Account" and "Update Account Maturity Instruction" only.

Notes

1. Restrictions apply to deposits and withdrawals see "Restrictions on deposits and withdrawals" section below.
2. To use our Phone Banking Service and/or Internet Banking Service you must register for the service. Your use of the Internet Banking Service will be governed by the terms contained in the PDS for the Business Internet Banking Service.

Restrictions on deposits and withdrawals

Deposits

Cash deposits can only be made in AUD, USD and HKD at HSBC branches.

Initial deposits in cash are subject to satisfying HSBC's identification checks. Initial deposits cannot be made by USD cheque or third party cheque.

No transactions on foreign currency deposits will be accepted on public holidays of the country of currency concerned or on US public holidays.

Withdrawals

Cash withdrawals in HKD or USD for amounts greater than AUD5,000 equivalent are subject to 24 hours advance notice or branch availability.

Significant Risks

In deciding whether or not to open a Business Term Deposit Account you should be aware of the risk set out below. However, this section does not purport to disclose all of the risks associated with currency transfers or transactions involving foreign currencies. HSBC recommends that you obtain independent financial, legal and taxation advice before you enter into currency transfers or transactions involving foreign currencies.

Early Termination Interest Risk

If you terminate your Business Term Deposit Account before the expiry of its term, you risk being paid interest at a reduced interest rate than you would have been if you waited for the term to expire. The reduced interest will apply for the whole period from the day your Business Term Deposit Account is opened to the day you take money out of your Business Term Deposit Account.

If you have already been paid interest at the full rate, the principal amount payable to you when we close your Business Term Deposit Account will be reduced to put you in the same position as if interest on the amount deposited had been reduced by up to 50% of the whole time your Business Term Deposit Account was open.

Foreign Currency Conversion Risk

A balance held in a foreign currency may present the following risks:

- past performance of a currency is not necessarily an indication of its future performance;
- due to fluctuations in currency exchange rates, a rate of exchange when you hold a balance in a foreign currency may be different from the rate of exchange you may obtain subsequently when carrying out a currency transfer.

Therefore, you must use your own independent judgment in respect of currency transfers and not rely on any advice, opinions or data supplied by us.

Authorised Signatories, Delegates

You can appoint Authorised Signatories who can open and operate your Business Term Deposit Account where we require a signature.

You can also appoint Delegates who can use our Phone Banking Service and/or Internet Banking Service to access your Business Term Deposit Account .

For further details, see clause 6 of Part C Banking Electronically Terms (for HSBC Business) in the Terms and Conditions, under the heading “Daily limits for Phone Banking” and the Business Internet Banking PDS.

Security of access methods

For maximum protection of your Business Term Deposit Account, it is important to keep safe any secret codes such as the Access Codes/Passwords or the identification reference you use for Phone Banking and, if you have registered for it, the Internet Banking Service. Examples of security measures you should take are set out in the Terms and Conditions, under the heading “Security of access methods”. If you do not take those security measures, you may be liable for unauthorised transactions.

Taxation

Interest credited to your Business Term Deposit Account

Interest credited to your Business Term Deposit Account during each financial year may be assessed for income tax purposes. In some circumstances (e.g. if you are tax exempt) this interest may not be included as part of your income tax assessment.

Goods and Services Tax (GST)

Dollar amounts stated in any part of the Terms and Conditions include GST where it applies, unless stated otherwise. You may be charged GST in addition to the fees or charges that you are required to pay where the fees or charges are expressed to be GST exclusive.

Withholding tax

If you are an Australian resident and do not provide us with your Tax File Number (TFN) or Australian Business Number (ABN), we must withhold tax calculated at the highest marginal tax rate plus the Medicare levy (46.50% at the date of this PDS) from the interest and remit the withheld amount to the Australian Taxation Office (ATO). If you are not an Australian resident, we must withhold non-resident withholding tax (10.00% at the date of this PDS, unless an exemption applies or the rate reduced under the relevant double tax agreements) from the interest and remit the withheld amount to the ATO.

Foreign exchange gains and losses

Transactions (in particular withdrawals) in relation to foreign currencies may give rise to taxable gains or deductible losses. The treatment of these transactions for taxation purposes will depend on your individual circumstances and you should seek appropriate tax advice.

Your contract with us

If you open a Business Term Deposit Account, the following documents make up the contract between you and us:

- Part 1 of this PDS – i.e. the PDS part of this document;
- Part 2 of this PDS – Business Term Deposit Account Fees and Charges;
- Part 3 of this PDS – HSBC Business Fees and Charges;
- Part 4 of this PDS – Business Term Deposit Account Interest Rates;
- the Terms and Conditions;
- your Account Opening Documents; and
- your New Term Deposit Confirmation.

HSBC may change this PDS (Parts 1, 2, 3 or 4) or the Terms and Conditions.

If you have a complaint or query

If you have a complaint or query (e.g. if you believe that an EFT transaction is wrong or unauthorised or there is an error in an account statement), please raise your concerns with us. You can speak with any Branch Customer Service Manager or any Branch Manager in Australia or our Customer Relations Team, telephone 1300 308 188 or if you are calling from overseas: + 61 2 9005 8181. Alternatively, you can log onto our website at www.hsbc.com.au and raise your concerns via the “Contact Us” icon.

If your complaint is not resolved by raising your concerns with us, you can contact the Financial Ombudsman Service Limited (FOS) telephone 1300 780 808, www.fos.org.au. This is an independent and impartial body which provides a free external dispute resolution procedure.

Definitions

In this document:

Account Opening Document means any account opening form (either in paper or electronic format), signature card, mandate or other document or agreement signed or entered into in connection with the opening or maintaining of a Business Term Deposit Account.

Authorised Signatory means any person who is designated as such in an Account Opening Document and allowed by us to operate your Business Term Deposit Account.

Banking Day means a day other than a Saturday or Sunday or a national public holiday. For the avoidance of doubt, the Queen's Birthday in New South Wales is deemed a national public holiday. If an account is in a currency other than Australian Dollars, Banking Day does not include a national public holiday of the country of the currency or a US public holiday. In the case of the Euro (EUR), it does not include a public holiday in the Eurozone.

Delegate means any person authorised by you and us to use our Phone Banking Service and/or Internet Banking Service to access your Business Term Deposit Account.

HSBC, we, us and **our** mean HSBC Bank Australia Limited (ABN 48 006 434 162 AFSL 232595).

New Term Deposit Confirmation means the document called "New Term Deposit Confirmation" (which is posted to you after your Account is opened) which sets out information about your Business Term Deposit Account, including the amount of the deposit, the term and your instructions about what should happen on maturity (if provided). If you open your Account online, your New Term Deposit Confirmation also includes a transaction reference number.

Terms and Conditions means the HSBC Business Terms and Conditions.

Financial Services Guide

About this Financial Services Guide (FSG)

This FSG is designed to help you to decide whether to use any of the financial services which HSBC offers in it. It contains information about:

- How our employees are remunerated in relation to those services; and
- how complaints are dealt with.

About us and the financial services we provide

Our contact details are shown on the inside front cover.

We are authorised to do the following in relation to the Business Term Deposit Account:

- open (i.e. issue), vary and close (i.e. dispose of) accounts; and
- provide financial product advice.

Remuneration

Our employees receive a base salary and may be eligible for annual or other performance bonuses or rewards which may take into account the sales and referrals they make.

If you have a complaint or query

See page 8 in the PDS part of this document.

HSBC Bank Australia Limited branches (as at 6 December 2010)

ACT

Canberra Branch

28-36 Ainslie Ave
Canberra 2600

NSW

Bondi Junction Branch

183 Oxford Street
Bondi Junction 2026

Burwood Branch

202 Burwood Road
Burwood 2134

Castle Hill Branch

Shop 500
Castle Towers
Shopping Centre
Castle Hill 2154

Chatswood Branch

298 Victoria Avenue
Chatswood 2067

Exchange Centre Branch

298 Bridge Street
Sydney 2000

Haymarket Branch

724-728 George Street
Sydney 2000

Hornsby Branch

Shop 2, 25-29 Hunter
Street
Hornsby 2077

Hurstville Branch

208 Forest Road
Hurstville 2220

King Street Branch

92 King Street
Sydney 2000

Macquarie Branch

Macquarie Shopping
Centre
Shop 17, Level 1
North Ryde 2113

Maroubra Branch

201 Maroubra Road
Maroubra Junction 2035

North Sydney

51 Mount Street
North Sydney 2060

Parramatta Branch

100 Church Street
Parramatta 2150

Town Hall Branch

570 George Street
Sydney 2000

QUEENSLAND

Brisbane Branch

300 Queen Street
Brisbane 4000

Gold Coast Branch

83b Scarborough Street
Southport 4215

Sunnybank Branch

Sunnybank Plaza
Cnr Mains Road &
McCullough Street
Sunnybank 4109

SOUTH AUSTRALIA

Adelaide Branch

55 Grenfell Street
Adelaide 5000

WESTERN AUSTRALIA

Garden City Branch

125 Riseley Street
Booragoon 6154

Perth Branch

188-190 St. George's Tce
Perth 6000

VICTORIA

Box Hill Branch

23 Carrington Road
Box Hill 3128

Camberwell Branch

10 Prospect Hill Road
Camberwell 3124

Doncaster Branch

Shop 1005,
619 Doncaster Road
Doncaster 3108

Glen Waverley Branch

38 Kingsway
Glen Waverley 3150

Melbourne Branch

271 Collins Street
Melbourne 3000

Swanston Branch

188 Swanston Street
Melbourne 3000

INTERNET

www.hsbc.com.au

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