

Notice on Customers' Right to Ask for Lower Interest Rate

Thank you for using The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch (the "Bank"). We hereby inform you of the requirements and procedures to have your borrowing rates lowered in accordance with Article 25-4 (Request for Lower Interest Rate) Paragraph (3) of the Regulation on the Supervision of the Banking Business.

Right to Ask for Lower Interest Rate

Customers (Both individual and corporate customers) may ask banks to lower borrowing rates when their credit profiles improve by submitting supporting documents and materials required for credit profile reassessment in accordance with Article 3 (Interest, etc. and Default Interest) Paragraph (9) of General Terms and Conditions for Credit Transactions (For household) and Article 23 (Amendment to General Terms and Conditions & Other Incidental Terms & Conditions) of General Terms and Conditions for Credit Transactions (For corporate borrower).

However, the request for lower borrowing rates may not be accepted depending on the reassessment results. Cases where the request is not accepted include the followings:

- In case where the credit profile of the borrower did not have affect the calculation of the interest rate when the credit facility agreement was entered into; or
- In case where the improvement of the credit profile is only minor and does not affect the decision to recalculate the interest rate.

Scope of Application

You may exercise the right to have borrowing rates lowered for household loans and corporate loans for which the rates vary depending on your credit rating. For household loans, however, please note as below:

- Personal Credit Loan: Since we closed down the retail banking business as of March, 2014, all remaining personal credit loans are subject to the individual rehabilitation program and the interest rate is zero. Therefore, you may not demand reduction of the interest rate for personal credit loans.
- Personal Mortgage Loan: The interest rates of personal mortgage loan are calculated based on the value of the collateral provided to the Bank and the market rate while the creditworthiness of the borrower does not affect the interest rate. Therefore, even if the credit profiles of the borrower have improved, such as gaining employment or promotion, property / income increase, or credit rating increase, this does not constitute reasons for demanding interest rate reduction.

In addition, products where credit profile of a borrower does not affect the calculation of interest rates are also excluded from those eligible for interest rate cuts. They include purchase of shipping documents on a non- (or limited) recourse basis, import or export loans such as purchase of receivables without recourse.

Reasons for Lower Interest Rate



- Household Loan: Not applicable
- Corporate Loan:
 - Improved corporate bond ratings
 - Improved financial situations on the financial statements
 - Other factors showing credit profile improvement
 - Improved likelihood of debt collection due to security furnished

How to Apply

- Household Loan: Not applicable
- Corporate Loan: Contact your Relationship Manager for documentation requirements. Send email to your RM's email account or 'credit.service.sel@kr.hsbc.com' with the subject "Request for Lower Interest Rate".

Other

The Bank may request customers to submit supporting documents required to determine whether borrowing rates should be lowered or not.