

TERMS AND CONDITIONS OF THE STEP-UP TIME DEPOSIT

1. The Step-up Time Deposit is a term deposit product provided by HSBC Bank Vietnam Ltd (“the Bank”) with a flexible early withdrawal option, assisting customers with their unplanned financial needs.
2. Customers are allowed to participate in Step-Up Time Deposit on all working days of the Bank, except for the last two (2) working days of the month because this is the interest closing date. The Customer’s Step-up Time Deposit application will be processed on the first working day of the following month.
3. Partial early withdrawal is not permitted, full early withdrawal is permitted at customers’ discretion.
4. The cycle paying interest in the deposit tenor (tenors) is determined by the Bank and selected by the customer at the time of registering Step-up Time Deposit. These tenors are provided by the Bank in the deposit transaction confirmation.
5. Time Deposit Account/ Savings Deposit Opening Form with the deposit transaction confirmation, and the Time Deposit Account Advice or Savings Card constitutes an Account opening contract.
6. In addition to Special Terms and Conditions for Step-Up Time Deposit, these Terms and Conditions are made in conjunction with the General Terms and Conditions, Time Deposit/ Savings Deposit Terms and Conditions. In case of any conflict between the two documents, the provisions of these Terms and Conditions will prevail.
7. Cycle interest rate: is the interest rate applied to each cycle in deposit tenor, according to the current board rate of the Bank.
8. Average interest rate: is the average annual interest rate of all cycles in deposit tenor.
9. When the customer withdraws Step-Up Time Deposit, the interest rate on the Transaction Confirmation is the interest rate of the current cycle.
10. Method of calculating interest is calculated on the basis of the actual balance, the number of days has actual balance and the corresponding interest rate at the tenors or principal tenor.
11. Interest payment method:
 - a. At the end of the deposit tenor: The Bank credits principal and interest payment to the Customer Account
 - b. End of the cycles: The Bank credits interest payment of the current cycle to the Customer Account
 - c. When customer withdraws Step-Up Time Deposit at any time before the maturity date (early withdrawal): The Bank credits principal to the Customer Account. Interest for the current cycle will be calculated and paid based on the Bank's current cycle demand deposit interest rate at the time of application. Interest payment of previously completed cycles is credited to the customer account with no interest payment claw back.
12. Illustration:

Customer A performs 24-month tenors with Step-Up Time Deposit with the amount of VND 1,000,000,000 in cycle - quarterly. The respective deposit withdrawal and interest cycle are specified:

<i>Cycle – Quarterly</i>	<i>Month number</i>	<i>Interest rate</i>	<i>Interest arises (VND)</i>	<i>Actual interest if withdrawn before maturity</i>
1	1	0.50%	416,667	0
1	2	0.50%	416,667	
1	3	0.50%	416,667	
2	4	1.25%	1,041,667	1,250,000
2	5	1.25%	1,041,667	
2	6	1.25%	1,041,667	
3	7	2.00%	1,666,667	4,375,000
3	8	2.00%	1,666,667	
3	9	2.00%	1,666,667	
4	10	2.75%	2,291,667	9,375,000
4	11	2.75%	2,291,667	
4	12	2.75%	2,291,667	
5	13	3.50%	2,916,667	15,000,000
5	14	3.50%	2,916,667	
5	15	3.50%	2,916,667	
6	16	4.25%	3,541,667	20,625,000
6	17	4.25%	3,541,667	
6	18	4.25%	3,541,667	
7	19	5.00%	4,166,667	26,250,000
7	20	5.00%	4,166,667	
7	21	5.00%	4,166,667	
8	22	5.75%	4,791,667	31,875,000
8	23	5.75%	4,791,667	
8	24	5.75%	4,791,667	
	<i>Average annual interest rate</i>	3.125%	62,500,000	

a. If the customer withdraws Step-Up Time Deposit on the maturity date: the actual interest payment will be equal to the total monthly arising interest, equal to the average interest rate (year) x principal x real time of deposit

$\text{VND } 1,000,000,000 \times 3.125\% / 12 * 24 = \text{VND } 62,500,000$

b. If the Customer withdraws Step-Up Time Deposit in the 8th month (M8 - Q3), the actual interest payment credited to the customer current account for periods 1 and 2 is VND 4,375,000.00 (credited at the end of each period), with no interest payment claw back.

c. Interest rate for period 3 is early withdrawal interest, demand interest rate for July & August will be applied.