

02 June 2011

Dear Valued Customer

GOVERNMENT EXCISE DUTY ON CUSTOMER (DEBIT AND CREDIT) ACCOUNTS

We would like to inform you that the **National Board of Revenue (NBR)** has instructed all banks operating in Bangladesh to deduct **Excise Duty** from each of the customer accounts (savings, current, loan or other accounts) held with the bank. This means, for example, if a customer maintains a savings account with a bank and also has a loan account; Excise Duty will be applicable on both the accounts separately.

As per NBR's circular *5(5)Mushok-Basto: Sheba o Abo:/07(Ongsho 1)* dated 04 April 2011, this Excise Duty will be applicable on customers' all accounts as per the following and payable to the Government:

Account balance	Applicable Excise Duty
Account (credit or debit) balance not exceeding BDT 20,000 (twenty thousands)	Nil
Account (credit or debit) balance over BDT 20,000 (twenty thousands) but not exceeding BDT100,000 (one lakh)	BDT 120 per annum
Account (credit or debit) balance over BDT BDT100,000 (one lakh) but not exceeding BDT1,000,000 (ten lakhs)	BDT 350 per annum
Account (credit or debit) balance over BDT BDT1,000,000 (ten lakhs) but not exceeding BDT10,000,000 (one crore)	BDT 1,000 per annum
Account (credit or debit) balance over BDT BDT10,000,000 (one crore) but not exceeding BDT50,000,000 (five crores)	BDT 5,000 per annum
Account (credit or debit) balance over BDT50,000,000 (five crores)	BDT 10,000 per annum

HSBC always seeks to comply with all laws, rules and regulations of Bangladesh applicable to the Bank's operations. Since the Excise Duty for the year 2010 has already been deducted for your deposit accounts earlier this year, the said Excise Duty will now be applicable for your loan accounts only and will be deducted from your account(s) on 02 June 2011.

The Management of HSBC would like to thank you for your kind cooperation.