



5 July 2012

HSBC PASSES ON UK BASE RATE CUT IN FULL

HSBC will pass on today's 0.25 per cent cut in the Bank of England Base rate to all its variable rate mortgage borrowers.

The bank's standard variable mortgage rate will fall from 3.94 per cent to 3.69 per cent and all Tracker mortgages – including the Trackers currently on sale – will be cut in-line with the Base Rate change.

Brendan Cook, Head of Retail Banking for HSBC in the UK, said: "These are exceptional times. By lowering its key rate to just 0.25 per cent the Bank of England is signalling its wish to lower the cost of borrowing for consumers to a level never seen before. As such we will support our mortgage customers by lowering all interest rates on our HSBC variable rate mortgages by the full 0.25 per cent and do everything in our power to ensure mortgages remain affordable."

"However, we also understand that only the combination of low rates and the availability of mortgage funding will help kick start homeownership and the wider economy. HSBC has made available £15 billion for new mortgages this year, with £3bn set aside for first time buyers, and as a result we expect to help 150,000 homeowners move or buy for the first time."

Customers with HSBC or **first direct** tracker rates will see a reduction in their rate from Friday 6th July 2012. Customers paying other HSBC variable rates will see their interest rate fall within one month. **first direct's** standard variable rate will remain at 3.69%, as HSBC aligns with it. Both brands' savings rates are under review. However, customers will be given 60 days' notice of any change.

- ends -

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HSBC Holdings plc

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from around 6,900 offices in over 80 countries and territories in Europe, the Asia-Pacific region, North and Latin America, and the Middle East and North Africa. With assets of US\$2,652bn at 30 June 2012, the HSBC Group is one of the world's largest banking and financial services organisations.