

Short Form Base Shelf Prospectus

This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus is referred to as a base shelf prospectus and has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of HSBC Bank Canada at the following address: Suite 900, 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4 (telephone: (604) 641-2555) and are also available electronically at www.sedar.com.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) and may not be offered, sold or delivered within the United States or to, or for the account of U.S. persons (as defined in Regulation S under the 1933 Act). See “Plan of Distribution”.

New Issue

July 8, 2009

Short Form Base Shelf Prospectus



HSBC Bank Canada

(a Canadian chartered bank)

\$1,500,000,000

Debt Securities (subordinated indebtedness)

Class 1 Preferred Shares

HSBC Bank Canada (the “Bank”) may from time to time offer and issue the following securities: (i) unsecured debt securities (“Debt Securities”); and (ii) non-cumulative Class 1 Preferred Shares (“Class 1 Preferred Shares”). The Debt Securities and Class 1 Preferred Shares (collectively, the “Securities”) offered hereby may be offered separately or together, in amounts, at prices and on terms to be set forth in an accompanying shelf prospectus supplement (a “Prospectus Supplement”). All shelf information omitted from this short form base shelf prospectus (this “Prospectus”) will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. The Bank may sell up to \$1,500,000,000 in aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof if any of the Securities are denominated in a foreign currency or currency unit) during the 25 month period that this Prospectus, including any amendments thereto, remains valid.

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms; and (ii) in the case of Class 1 Preferred Shares, the designation of the particular series, aggregate principal amount, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms and any other specific terms.

The outstanding Class 1 Preferred Shares Series C, D and E are listed on the Toronto Stock Exchange.

The Securities may be sold by underwriters or dealers purchasing as principals, through agents designated by the Bank (such underwriters, dealers and agents are collectively referred to in this Prospectus as “Investment Dealers” and individually as an “Investment Dealer”) or by the Bank directly pursuant to applicable statutory exemptions, from time to time. See “Plan of Distribution”. Each Prospectus Supplement will identify each Investment Dealer engaged in connection with the offering and sale of those Securities to which the Prospectus Supplement relates, and will also set forth the terms of the offering of such Securities including the net proceeds to the Bank and, to the extent applicable, any fees payable to the Investment Dealers. The offerings are subject to approval of certain legal matters on behalf of the Bank by McCarthy Tétrault LLP.

The Debt Securities will be direct unsecured obligations of the Bank constituting subordinated indebtedness for the purposes of the Bank Act (Canada) (the “Bank Act”) and will not constitute deposits that are insured under the Canada Deposit Insurance Corporation Act (Canada) (the “CDIC Act”).

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus, including the documents incorporated by reference, includes forward-looking statements with respect to the Bank, including its business operations and strategy and financial performance and condition. These statements generally can be identified by the use of forward-looking words such as “may”, “could”, “should”, “would”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe” or “continue”, or the negative thereof or similar variations. Although management of the Bank believes that the expectations reflected in such forward-looking statements are reasonable and represent the Bank’s projections, expectations and belief at this time, such statements involve unknown risks and uncertainties which may cause the Bank’s actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the Bank’s expectations include, among other things, general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, difficulties in developing or enhancing new or existing distribution channels or products, and other factors discussed or referenced in the “Risk Factors” section. See “Risk Factors”.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents have been filed by the Bank with the various securities commissions or similar authorities in Canada and, in some cases, the Superintendent of Financial Institutions (Canada) (the “Superintendent”), and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- (a) the Bank’s annual information form dated March 13, 2009;
- (b) the Bank’s audited consolidated financial statements for the fiscal year ended December 31, 2008 with comparative consolidated financial statements for the fiscal year ended December 31, 2007, prepared in accordance with Canadian generally accepted accounting principles, together with the auditors’ report thereon, and management’s discussion and analysis as contained in the Bank’s Annual Report for the year ended December 31, 2008; and
- (c) the Bank’s unaudited consolidated financial statements for the three months ended March 31, 2009 with comparative consolidated financial statements for the three months ended March 31, 2008, prepared in accordance with Canadian generally accepted accounting principles and management’s discussion and analysis for the three months ended March 31, 2009.

Any documents of the type referred to in the preceding paragraph and any business acquisition reports and material change reports (excluding confidential material change reports) filed by the Bank with a securities commission or similar authority in Canada, after the date of this Prospectus and prior to the termination of the offering of Securities under any Prospectus Supplement, will be deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference in this Prospectus or contained in this Prospectus is deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

A Prospectus Supplement containing the specific terms of an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of the Prospectus Supplement solely for the purposes of the offering of the Securities covered by that Prospectus Supplement unless otherwise expressly provided therein.

Upon a new Annual Information Form or new annual financial statements, together with the auditors' report thereon and management's discussion and analysis thereon, being filed by the Bank with the applicable securities regulatory authorities during the currency of this Prospectus, the previous Annual Information Form, or annual financial statements, and all interim financial statements and material change reports filed prior to the commencement of the Bank's financial year in which the new Annual Information Form or annual financial statements are filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder.

CURRENCY AND ACCOUNTING INFORMATION

Unless otherwise indicated, all dollar amounts appearing in this Prospectus are stated in Canadian dollars. All amounts appearing under "Earnings Coverage" are derived from the consolidated financial statements of the Bank, which are presented in accordance with Canadian generally accepted accounting principles.

HSBC BANK CANADA

HSBC Bank Canada was established in 1981 and is a Canadian Schedule II chartered bank operating under the provisions of the Bank Act. The Bank's head office is located at 300-885 West Georgia Street, Vancouver, British Columbia V6C 3E9. The Bank is an indirect wholly-owned subsidiary of HSBC Holdings plc ("HSBC Holdings" and, together with its direct and indirect subsidiaries, including the Bank, "HSBC").

HSBC Holdings is a public limited company incorporated in England and Wales. HSBC Holdings' head office is located at 8 Canada Square, London E14 5HQ, United Kingdom.

Business of HSBC

HSBC Bank Canada is the largest full service, globally-integrated foreign-owned bank in Canada and the seventh largest Canadian bank overall, with more than 290 offices, including over 140 bank branches, and total assets of over \$72 billion as at December 31, 2008. The Bank and its subsidiaries provide a wide range of personal and commercial banking services, corporate, investment banking and market services, on-line and full service brokerage services, investment management and personal trust services. As an indirect wholly-owned subsidiary of HSBC Holdings, the Bank provides its clients with access to one of the largest banking and financial services organizations in the world. HSBC serves customers worldwide from around 9,500 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa. At December 31, 2008, HSBC Holdings had total assets of US\$2,527 billion on a consolidated basis and a market capitalization of US\$114 billion.

CHANGES TO CAPITAL OF THE BANK

The authorized share capital of the Bank consists of (a) 993,677,000 common shares without par value (“Common Shares”), (b) an unlimited number of Class 1 Preferred Shares issuable in one or more series, of which the Bank has currently designated 5,000,000 as Series A, 5,000,000 as Series B, 10,000,000 as Series C, 10,000,000 as Series D, 10,000,000 as Series E, 10,000,000 as Series F, 8,000,000 as Series Y and 200,000 as Series Z, and (c) an unlimited number of Class 2 preferred shares (“Class 2 Preferred Shares”) without par value, issuable in one or more series.

On April 8, 2009, the Bank issued 10,000,000 Non-Cumulative 5-Year Rate Reset Class 1 Preferred Shares Series E (the “Series E Shares”) for aggregate gross proceeds of \$250 million. The Series E Shares are redeemable by the Bank for cash, subject to regulatory consent, after approximately five years and are convertible, in certain circumstances, into Non-Cumulative Floating Rate Class 1 Preferred Shares Series F, and vice versa. The net proceeds of the offering of Series E Shares were added to the Bank’s Tier 1 regulatory capital.

As at July 8, 2009, there were 498,668,000 Common Shares, 7,000,000 Class 1 Preferred Shares Series C, 7,000,000 Class 1 Preferred Shares Series D, 10,000,000 Series E Shares and 86,450,000 Class 2 Preferred Shares Series B issued and outstanding.

Certain selected consolidated financial data set forth below has been derived from the Bank’s consolidated financial statements and related notes incorporated by reference into this Prospectus. The following table shows the subordinated debentures, non-controlling interest in HSBC Canada Asset Trust (the “Trust”) and subsidiary and shareholders’ equity of the Bank as at December 31, 2008 and March 31, 2009. The following data does not reflect the issuance of the Series E Shares on April 8, 2009.

	December 31, 2008	March 31, 2009
	(\$ million)	(\$ million) (unaudited)
Subordinated debentures	788	795
Non-controlling interest in Trust and subsidiary	430	430
Shareholders’ equity		
Preferred Shares	696	696
Common Shares	1,225	1,225
Contributed surplus	0	1
Retained earnings	1,950	1,965

DESCRIPTION OF THE DEBT SECURITIES

The following is a summary of the material attributes and characteristics of the subordinated indebtedness of the Bank evidenced by the Debt Securities, which does not purport to be complete. Reference is made to the Trust Indenture referred to below for the full text of such attributes and characteristics. A copy of the Trust Indenture may be obtained on request from the Corporate Secretary of the Bank at the following address: Suite 900, 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4 (telephone: (604) 641-2555) and is also available electronically at www.sedar.com.

General

The Debt Securities will be issued as one or more series of debentures pursuant to the provisions of a master trust indenture dated June 13, 2002 between the Bank and Computershare Trust Company of Canada, as trustee (the “Trustee”), as supplemented from time to time (including by supplemental indentures to be entered into with respect to each offering of Debt Securities) (collectively, the “Trust Indenture”). The aggregate principal amount of debentures (including the Debt Securities) that may be issued under the Trust Indenture is unlimited. In addition, the Bank may offer Debt Securities by way of another trust indenture, the terms of which would be described in the Prospectus Supplement relating to such offering of Debt Securities.

The Debt Securities will be direct unsecured obligations of the Bank, constituting subordinated indebtedness for the purposes of the Bank Act, ranking at least equally with other subordinated indebtedness of the Bank from time to time

issued and outstanding. In the event of the insolvency or winding-up of the Bank, the indebtedness evidenced by debentures issued by the Bank, including the Debt Securities, will be subordinate in right of payment to the prior payment in full of the deposit liabilities of the Bank and all other liabilities of the Bank except liabilities which by their terms rank in right of payment equally with or subordinate to indebtedness evidenced by such debentures.

The Debt Securities will not constitute deposits that are insured under the CDIC Act.

Specific Variable Terms

The specific variable terms of any offering of Debt Securities (including, where applicable and without limitation, the aggregate principal amount of the Debt Securities being offered, the currency or currency unit, the issue and delivery date, the maturity date, the issue price, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the interest payment date(s), any redemption, conversion, exchange, sinking fund or repurchase provisions, the name of any Investment Dealer involved in the distribution of the Debt Securities, the compensation payable to any Investment Dealer, the method of distribution and the proceeds to the Bank) will be set forth in the Prospectus Supplement that will accompany this Prospectus. The Bank reserves the right to set forth in a Prospectus Supplement specific variable terms of any offering of Debt Securities which are not within the options and parameters set forth in this Prospectus.

Form

Unless otherwise specified in the applicable Prospectus Supplement, each offering of Debt Securities will be issued in “book-entry only” form. See “Book-Entry Only Securities”.

Governing Law

The Trust Indenture is and the Debt Securities shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. The Bank may also offer Debt Securities by way of another trust indenture, the terms of which would be described in the Prospectus Supplement relating to such offering of Debt Securities.

DESCRIPTION OF THE CLASS 1 PREFERRED SHARES

The following describes certain general terms and provisions of the Class 1 Preferred Shares. The particular terms and provisions of a series of Class 1 Preferred Shares offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply thereto, will be described in such Prospectus Supplement.

Certain Provisions of the Class 1 Preferred Shares as a Class

The Bank is authorized to issue an unlimited number of Class 1 Preferred Shares in one or more series. The Board of Directors may from time to time issue previously unissued Class 1 Preferred Shares in one or more series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof.

Priority

The Class 1 Preferred Shares of each series will rank on a parity with the Class 1 Preferred Shares of every other series. The Class 1 Preferred Shares are entitled to preference over the Class 2 Preferred Shares, the Common Shares and any other class of shares in the capital of the Bank ranking junior to the Class 1 Preferred Shares with respect to the payment of dividends and upon any distribution of assets of the Bank in the event of the liquidation, dissolution or winding-up of the Bank, whether voluntary or involuntary, or any other distribution of the assets of the Bank among its shareholders for the purpose of winding-up its affairs.

Restrictions

The Bank may not, without the approval of the holders of the Class 1 Preferred Shares, create any other class of shares ranking prior to the Class 1 Preferred Shares or amend the provisions attaching to the Class 1 Preferred Shares unless, for all issued and outstanding Class 1 Preferred Shares, all cumulative dividends have been declared and paid or set aside for payment and any declared non-cumulative dividends have been paid or set aside for payment.

Shareholder Approvals

Any approval to be given by the holders of the Class 1 Preferred Shares as a class, or of any series of Class 1 Preferred Shares as a series, may be given by a resolution carried by the affirmative vote of not less than two-thirds of the votes cast at a meeting of holders of the outstanding Class 1 Preferred Shares as a class or the holders of a particular series at which a majority of the outstanding shares of the class or series is represented either in person or by proxy or, if no quorum is present at such meeting, at any adjourned meeting at which no quorum requirements would apply.

Voting Rights

There are no voting rights attaching to the Class 1 Preferred Shares except to the extent provided in any series or by the Bank Act.

Specific Variable Terms

The specific variable terms of any offering of Preferred Shares (including, where applicable and without limitation, the designation of the particular series, aggregate principal amount, the number of shares offered, the issue price, the dividend payment date(s), any terms for redemption at the option of the Bank or the holder, any exchange or conversion terms, the issue and delivery date, the name of any Investment Dealer involved in the distribution of the Preferred Shares, the compensation payable to any Investment Dealer, the method of distribution and the proceeds to the Bank) will be set forth in the Prospectus Supplement that will accompany this Prospectus.

BOOK-ENTRY ONLY SECURITIES

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“CDS Participants”) in the depository service of CDS Clearing and Depository Services Inc. or a successor or its nominee (collectively, “CDS”). Each of the Investment Dealers named in an accompanying Prospectus Supplement offering securities in “book-entry only” form will be a CDS Participant. On the closing of a book-entry only offering, the Bank will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the Investment Dealer from which the Securities are purchased in accordance with the practices and procedures of that Investment Dealer. The practices of Investment Dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in the Securities. If (i) the book-entry only system ceases to exist, (ii) the Bank determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and the Bank is unable to locate a qualified successor, or (iii) the Bank at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the Securities from the book-entry only system, then physical certificates representing the Securities will be issued to holders thereof or their nominees.

Transfer, Conversion and Redemption of Securities

Transfers of ownership, conversions or redemptions of Securities will be effected only through records maintained by CDS for such Securities with respect to interests of CDS Participants and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders of Securities who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities, may do so only through CDS Participants. The ability of a holder to pledge Securities or otherwise take action with respect to such holder’s interest in Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Payments and Deliveries

The Bank will make, or cause to be made, payments of principal, redemption price, if any, dividends and interest, as applicable, on Securities to CDS as the registered holder of the Securities and the Bank understands that the payment will be forwarded by CDS to CDS Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered owner of the Securities, CDS will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. As long as the Securities are held in the CDS book-entry only system, the responsibility and liability of the Bank in respect of the Securities is limited to making payments of principal, redemption price, if any, dividends and interest, as applicable, on the Securities to CDS, as registered holder of the Securities. The Bank expects that CDS, upon receipt of any payment in respect of Securities, will credit CDS Participants' accounts in amounts proportionate to their respective interests in the principal amount of such Securities as shown on the records of CDS in accordance with the customary practices and procedures of CDS. The Bank also expects that payments by CDS Participants to the owners of beneficial interests in Securities held through such CDS Participants will be governed by standing instructions and customary practices, and will be the responsibility of such CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS, and persons other than CDS Participants having an interest in Securities must look solely to CDS Participants, for payments or deliveries made by or on behalf of the Bank to CDS in respect of such Securities.

Each beneficial owner must rely on the procedures of CDS and, if such beneficial owner is not a CDS Participant, on the procedures of the CDS Participant through which such beneficial owner owns its interest to exercise any rights with respect to the Securities. The Bank understands that under existing policies of CDS and industry practices, if the Bank requests any action of a beneficial owner or if a beneficial owner desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the beneficial owner to give such notice or to take such action in accordance with the procedures established by CDS or agreed to from time to time by the Bank, any Trustee and CDS. Any beneficial owner that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

None of the Bank, the Investment Dealers, the Trustee and any other trustee (in the case of Debt Securities) will assume liability or responsibility for (i) any aspect of the records relating to the beneficial ownership of the Securities held by CDS or the payments or deliveries relating thereto, (ii) maintaining, supervising or reviewing any records relating to the Securities, or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of CDS Participants.

BANK ACT RESTRICTIONS

Under the Bank Act, the Bank, with the prior consent of the Superintendent, may redeem or purchase any of its shares unless there are reasonable grounds for believing that the Bank is, or the redemption or purchase would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms of liquidity, or any direction to the Bank made by the Superintendent pursuant to Subsection 485(3) of the Bank Act regarding its capital or its liquidity. No such direction to the Bank has been made to date.

The Bank is prohibited under the Bank Act from paying or declaring a dividend if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms of liquidity, or any direction to the Bank made by the Superintendent pursuant to Subsection 485(3) of the Bank Act regarding its capital or its liquidity. No such direction to the Bank has been made to date.

ADDITIONAL RESTRICTIONS ON DECLARATION OF DIVIDENDS

The Bank has entered into agreements in connection with the issuance of trust capital securities (the "HSBC HaTS") of the Trust which restrict the Bank's ability to declare dividends on any shares in its capital, including the Class 1 Preferred Shares, if the Trust has failed to meet its payment obligations in respect of the HSBC HaTS.

RESTRAINTS ON BANK SHARES UNDER THE BANK ACT

The Bank Act contains restrictions on the allotment, issuance, transfer, acquisition, beneficial ownership, holding and voting of all shares of a chartered bank. By way of summary, no person, or persons acting jointly or in concert, may have a “significant interest” in any class of shares of any Schedule II bank, a category which includes the Bank, without the approval of the Minister of Finance for Canada. For the purposes of the Bank Act, a person has a significant interest in a class of shares of a bank if the total number of shares of that class beneficially owned by that person and entities controlled by that person and by any person acting jointly or in concert with that person exceeds or would thereby exceed 10% of all of the outstanding shares of that class.

Purchasers of Preferred Shares may be required to furnish declarations relative to ownership in a form prescribed by the Bank.

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios reflect the issuance of the Series E Shares referred to under “Changes to Capital of The Bank”, but do not reflect the issuance of any Securities under this Prospectus.

The Bank’s dividend requirements on all its outstanding Class 1 Preferred Shares and Class 2 Preferred Shares, adjusted to a before-tax equivalent using an effective income tax rate of 29.9% for the twelve months ended December 31, 2008 and 28.7% for the 12 months ended March 31, 2009, amounted to \$87 million for the 12 months ended December 31, 2008 and \$85 million for the 12 months ended March 31, 2009. The Bank’s interest requirements on debentures amounted to \$39 million for the 12 months ended December 31, 2008 and \$39 million for the 12 months ended March 31, 2009. The Bank’s earnings before interest and income tax for the 12 months ended December 31, 2008 were \$885 million, which is 7.0 times the Bank’s aggregate dividend and interest requirements for this period. The Bank’s earnings before interest and income tax for the 12 months ended March 31, 2009 were \$747 million, which is 6.0 times the Bank’s aggregate dividend and interest requirements for this period.

If the Bank offers any Debt Securities having a term of maturity in excess of one year under a Prospectus Supplement, the Prospectus Supplement will include earnings coverage ratios giving effect to the issuance of such Debt Securities.

PLAN OF DISTRIBUTION

The Bank may sell Securities to or through underwriters or dealers purchasing as principal, and also may sell Securities to one or more purchasers directly or through agents. Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers.

A Prospectus Supplement will set forth the terms of any offering of Securities, including the name or names of any Investment Dealers, the initial public offering price, the proceeds to the Bank, any underwriting discount or commission to be paid to any Investment Dealers and any discounts, concessions or commissions allowed or re-allowed or paid by any Investment Dealers to other investment dealers.

The Securities may be sold directly by the Bank at such prices and upon such terms as agreed to by the Bank and the purchaser or through agents designated by the Bank from time to time. Any agent involved in the offering and sale of the Securities in respect of which this Prospectus is delivered will be named, and any commissions payable by the Bank to such agent will be set forth, in the applicable Prospectus Supplement. Unless otherwise indicated in the applicable Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased.

Any public offering price and any discounts or concessions allowed or re-allowed or paid to Investment Dealers may be changed from time to time. The Bank may agree to pay the Investment Dealers a commission for various services relating to the issue and sale of any Securities offered hereby. Any such commission will be paid out of the general corporate funds of the Bank. Investment Dealers who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Bank to indemnification by the Bank against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such Investment Dealers may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the Investment Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Securities offered at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

The Securities to be issued hereunder have not been, and will not be, registered under the 1933 Act and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person (as defined in Regulation 1 under the 1933 Act) except in certain transactions exempt from the requirements of the 1933 Act.

RISK FACTORS

Investment in the Securities is subject to various risks including those risks inherent in conducting the business of a diversified financial institution. Before deciding whether to invest in any Securities, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and, if applicable, those described in a Prospectus Supplement relating to a specific offering of Securities. Prospective investors should consider the categories of risks identified and discussed in the Bank's Annual Information Form and Management's Discussion and Analysis of the Bank incorporated herein by reference, including market risk, structural risk, interest rate risk, foreign exchange risk, liquidity risk, fiduciary risk, operational risk, loan portfolio, credit quality, impaired loans and allowances for credit losses, provisions for credit losses and derivative portfolio.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds to the Bank from the sale of the Securities will be added to the general funds of the Bank and utilized for general corporate purposes.

LEGAL MATTERS

Unless otherwise specified in the Prospectus Supplement, certain legal matters relating to the Securities offered by a Prospectus Supplement will be passed upon, on behalf of the Bank, by McCarthy Tétrault LLP. As at the date hereof, partners, counsel and associates of McCarthy Tétrault LLP beneficially owned, directly or indirectly, less than 1% of any issued and outstanding securities of the Bank or any associates or affiliates of the Bank.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE BANK

Dated: July 8, 2009

This short form prospectus, together with the documents incorporated in this prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

(signed) LINDSAY GORDON
President and Chief
Executive Officer

(signed) GRAHAM McISAAC
Chief Financial Officer

On Behalf of the Board of Directors

(signed) SAMUEL MINZBERG
Director

(signed) ROSS S. SMITH
Director

AUDITORS' CONSENT

The Board of Directors of HSBC Bank Canada

We have read the short form base shelf prospectus of HSBC Bank Canada (the "Bank") dated July 8, 2009 relating to the issue of up to \$1,500,000,000 of Debt Securities (subordinated indebtedness) and Class 1 Preferred Shares. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference into the above-mentioned prospectus, of our report dated February 16, 2009 to the shareholders of the Bank on the following consolidated financial statements of the Bank:

- consolidated balance sheets as at December 31, 2008 and 2007; and
- consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for each of the years then ended.

(signed) KPMG LLP
Chartered Accountants

Vancouver, Canada
July 8, 2009

