

New Money Promotion – Terms and Conditions

January 9, 2012

These Terms and Conditions govern the HSBC Bank Canada “*New Money Promotion*” running from January 9, 2012 to April 30, 2012. Please read these Terms and Conditions carefully as they explain how you will receive a bonus interest rate on either your HSBC Advance Tax-Free Savings Account or HSBC High Rate Tax-Free Savings Account balances.

DEFINITIONS

1. When used in these Terms and Conditions, the phrases set out below mean the following:
 - (a) “**Advance TFSA**” means an HSBC Advance Tax-Free Savings Account.
 - (b) “**Bonus Interest**” means interest calculated at the Bonus Rate.
 - (c) “**Bonus Rate**” means 0.5% per annum.
 - (d) “**Deposit Accounts**” means all savings accounts, TFSAs, foreign currency savings accounts, Guaranteed Investment Certificates (GICs) and term deposits held by a customer with HSBC but does not include chequing accounts or RRSP or RRIF accounts.
 - (e) “**HSBC**” means HSBC Bank Canada.
 - (f) “**Net Overall Deposit Balance**” means the total combined closing balance of all Deposit Accounts.
 - (g) “**New Money**” means all new funds deposited into a Promotional Account during the Promotional Period that were not on deposit in any Deposit Accounts as of January 6, 2012.
 - (h) “**Posted Rate**” means the regular posted annual interest rate applicable to an account from time to time.
 - (i) “**Promotional Account**” means the first opened Advance TFSA or TFSA HRSA, or if a customer has both an Advance TFSA and TFSA HRSA, the customer can designate either the Advance TFSA or the TFSA HRSA, and the Promotional Account shall be the account of that type that is first opened.
 - (j) “**Promotional Day**” means any day during the Promotional Period.
 - (k) “**Promotional Period**” means January 9, 2012 to April 30, 2012 inclusive.
 - (l) “**Qualified Individual**” is an individual who: is a resident in Canada; is 18 years of age or older; and has a valid Social Insurance Number.
 - (m) “**TFSA**” means Tax-Free Savings Account, which includes Promotional Accounts.
 - (n) “**TFSA HRSA**” means an HSBC High Rate Tax-Free Savings Account.

QUALIFICATIONS

2. This Promotion is available to Qualified Individuals who have an existing TFSA or open a new TFSA with HSBC during the Promotional Period.

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3. The TFSA contribution limit for Qualified Individuals in 2012 is, generally, the total of the following amounts:¹
- unused TFSA contribution room from 2011;
 - withdrawals from TFSAs in 2011; and
 - 2012 TFSA dollar limit (which is expected to be \$5,000 but can be adjusted for inflation).

This contribution limit applies to a Qualified Individual's total contributions to all of his or her TFSAs in all financial institutions.

4. Only one TFSA can be a Promotional Account.

INTEREST DETAILS

5. If a customer deposits New Money in a Promotional Account, bonus interest will be calculated as follows:
- If the Net Overall Deposit Balance on a Promotional Day is equal to or greater than the Net Overall Deposit Balance on January 6, 2012 plus the New Money, Bonus Interest will be calculated on that day on the New Money.
 - Subject to paragraph c, if the Net Overall Deposit Balance on a Promotional Day is less than the Net Overall Deposit Balance on January 6, 2012 plus the New Money, Bonus Interest will be calculated on that day on the difference between the Net Overall Deposit Balance on the Promotional Day and the Net Overall Balance on January 6, 2012.
 - If the Net Overall Deposit Balance on a Promotional Day is equal to or less than the Net Overall Deposit Balance on January 6, 2012, no Bonus Interest will be calculated on that day.

Bonus Interest will accrue and be paid monthly to the Promotional Account,

6. For the purpose of calculating Net Overall Deposit Balance on a Promotional Day, any funds held in foreign currencies will be converted to their Canadian dollar equivalent using HSBC's daily standard exchange rate for that currency in effect on that Promotional Day. These exchange rates will also be used on each Promotional Day to calculate the January 6, 2012 Net Overall Deposit Balance against which the Net Overall Deposit Balance on that Promotional Day will be compared.

7. Balances in all TFSAs including a Promotional Account will earn interest at the Posted Rates in addition to Bonus Interest, if any.

8. If a Promotional Account is closed during the Promotional Period, any calculated but unpaid Bonus Interest will be forfeited and interest at the Posted Rate for that account will be calculated from the date of the last interest payment on the Promotional Account to the date of account closure.

9. The first deposit made to a new Promotional Account opened during the Promotional Period will begin earning interest no later than 5 business days after the customer's first deposit cheque is received by HSBC, provided all other account opening requirements for that Promotional Account (including satisfactory clearing of first deposit cheque where applicable) are satisfied.

OTHER CONDITIONS

¹ For full details about tax-free savings accounts and how they relate to your own financial situation, consult your personal tax advisor

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10. Except as set out in these Terms and Conditions, all regular terms and conditions related to a Promotional Account will remain in effect during and after the Promotional Period.

11. This Promotion cannot be combined with any other promotions or offers and may be amended, extended or cancelled at the sole discretion of HSBC at any time without prior notice.

12. HSBC reserves the right to refuse or terminate any individual's participation in this Promotion if HSBC suspects or discovers that the individual is abusing the proper and intended operation of the promotion or participating in a tax avoidance scheme.

* Visit hsbc.ca and click "View Today's Rates" for current Posted rates for all HSBC Bank Canada Savings Accounts including HSBC High Rate Tax-Free Savings Account and HSBC Advance Tax-Free Savings Account.