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HSBC ANNOUNCES ENHANCED PAYMENTS AND CASH MANAGEMENT SERVICES ACROSS CANADA, U.S. AND MEXICO

HSBC's Global Transaction Banking Services business today announced it will provide clients a centralized-secure payment service across Canada, the United States and Mexico. The payment service from one of the world's largest financial institutions is geared toward clients that need to make payments to trading partners within North American Free Trade Agreement (NAFTA) countries. It especially benefits multinational companies in the automotive, pharmaceutical, technology, logistics, and consumer goods sectors that do business in any of these three markets.

"NAFTA has increased commerce across these important economic centers, and increased a client's need to expedite payments, reduce payment file formatting, and save money," said Michael Gallagher, head of global transaction banking for NAFTA countries at HSBC. "Before introducing this service, corporate treasurers were generally required to maintain multiple banking relationships. Clients now have the choice to use one bank to process payments in U.S. dollars, Canadian dollars, and Mexican pesos - reducing risk, errors and costs."

"HSBC is proud to launch a service that will streamline the payments and cash management process for many of our clients," said Lindsay Gordon, President and Chief Executive Officer, HSBC Bank Canada. "This is another example of how HSBC can use its global network to develop cross border services for its domestic and international client base."

HSBC's payment process is flexible and allows clients to send check, wire money transfers and Automated Clearing House (ACH) payments in one file-format whether those payables are in a single currency or in multiple currencies within North America. Through its presence across NAFTA countries, HSBC is able to facilitate all payment types into one consolidated file via HSBC Connect - a secure host-to-host file-based delivery channel.

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“Corporate treasurers will no longer have to maintain a variety of in-country formats. They will have the ability to transmit data for high and low value payments across NAFTA countries with confidence and ease,” added Michael Gallagher. “And the added benefit of keeping the payment flows within one institution.”

HSBC provides a wide array of transaction banking products and services including cash management, trade services, supply chain, securities and bank notes. It ranks #2 globally in cash management including providing the best in-country client service (*Euromoney*'s 2005 Cash Management Poll).

Global Transaction Banking Services supports HSBC's Corporate, Investment Banking and Markets (CIBM) and Commercial Banking businesses.

CIBM provides tailored financial products and services to major government, corporate and institutional clients and offers a full range of capabilities, including foreign exchange, fixed income, derivatives, risk advisory, investment banking, payments and cash management, trade services, and securities services. For more information on CIBM please visit www.hsbcnet.com.

Commercial Banking provides loan and deposit products to small and middle-market corporations including specialized products such as real estate financing. Various credit and trade related products are also offered including standby facilities, performance guarantees and acceptance. For more information on Commercial Banking please visit hsbc.ca.

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HSBC Bank USA, National Association

HSBC Bank USA, N.A. offers its 3 million customers access to global markets and services. The Bank provides a full range of commercial banking products and services to individuals, corporations, institutions and governments, through its personal financial services, private banking, commercial banking and corporate investment banking and markets segments. The Bank is also an international dealer in derivative instruments and has mortgage banking and brokerage operations.

HSBC Bank Canada

HSBC Bank Canada is a full service financial institution offering a full range of commercial and personal financial services with over 170 offices in all regions of the country. It is the 7th largest bank overall and the leading international bank in Canada.

Grupo Financiero HSBC México

Grupo Financiero HSBC México is one of the five largest financial and banking services institution in Mexico, with 1,400 branches, more than 4,800 ATM's and 22,000 employees. HSBC Mexico offers its six million customers a full range of corporate and commercial banking, as well as personal and consumer financial services.

HSBC Bank USA, N.A., HSBC Bank Canada, and HSBC Bank Mexico are subsidiaries of HSBC Holdings plc. With around 9,500 offices in 76 countries and territories, and total assets of US\$1,502 billion at 31 December 2005, the HSBC Group is one of the world's largest banking and financial services organisations.

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