



4 April 2007

## **HSBC BANK CANADA ANNOUNCES NEW ISSUE OF SUBORDINATED DEBENTURES**

HSBC Bank Canada (the “Bank”) has announced that it intends to issue \$400 million in principal amount of subordinated debentures (the “Debentures”) through an agency syndicate led by HSBC Securities (Canada) Inc.

The Debentures will bear interest at a fixed rate of 4.80% per annum payable semi-annually until 10 April 2017, and thereafter at a rate per annum equal to the 90-day Bankers’ Acceptance rate plus 1.00% payable quarterly until maturity on 10 April 2022. The issue was priced at \$99.890 with a yield to 10 April 2017 of 4.814%. Subject to regulatory approval, the Bank may, at its option, redeem the Debentures at par in whole on or after 10 April 2017.

The transaction is subject to regulatory approval and is expected to close on 9 April 2007. Proceeds from the offering will be used for general corporate purposes and to enhance the Bank’s Tier 2 Capital base.

The Debentures have been provisionally rated “AA-” by Standard & Poor’s Ratings Services and “AA (low)” by DBRS.

The offering of the Debentures will be made pursuant to the Short Form Base Shelf Prospectus dated 27 March 2007 and a Prospectus Supplement relating to the Debentures, which will be filed by the Bank with the securities regulatory authorities in all provinces and territories of Canada.

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HSBC Bank Canada, a subsidiary of HSBC Holdings plc, has more than 170 offices. With over 10,000 offices in 82 countries and territories and assets of US\$1,861 billion at 31 December 2006, the HSBC Group is one of the world's largest banking and financial services organizations.

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