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HSBC MASTERCARD INTRODUCES NEW REWARDS PROGRAM TO HELP HOMEOWNERS

HSBC MasterCard® has introduced a new way for homeowners to pay down their mortgage balances more quickly and reduce interest costs by redeeming their reward points for additional mortgage payments. Until 31 December 2009, the new HSBC MasterCard rewards program will allow cardholders to apply up to two per cent of their credit card spending towards their existing HSBC mortgage, after which they can continue to apply their reward points to their Mortgage Account at a rate of one per cent.

Tracy Redies, Executive Vice President, Personal Financial Services and Wealth Management, HSBC Bank Canada, said: “One of the most consistent financial goals of many Canadians is to pay off their home and become mortgage-free faster. The new HSBC MasterCard Mortgage Account Contribution Reward gives homeowners an opportunity to move in that direction by allowing them to convert their ongoing everyday spending into additional payments on their mortgage.”

The HSBC MasterCard Mortgage Account Contribution Reward will allow customers to redeem points at a cash equivalent rate of two per cent of their total eligible dollars spent on the card, which can be applied directly to their HSBC mortgage account balance, reducing the outstanding principal. The first \$200 contribution will take effect once cardholders reach the 10,000 reward points level. Additional contributions will be paid at a rate of \$100 for every subsequent 5,000 points they accumulate. The two per cent program will be in effect until 31 December 2009 and will continue thereafter at a rate of one per cent.

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The compounding value of using rewards points to reduce a mortgage balance provides HSBC customers with real value over the life of the mortgage. For example, a customer with a \$250,000 mortgage who spends \$20,000 per year (\$1,666 per month) on their HSBC MasterCard would reduce the mortgage balance by \$5,000, saving \$8,144 in interest charges, and pay off the mortgage 7 months earlier.*

Complete details of the HSBC MasterCard Mortgage Account Reward Program and other reward programs offered by HSBC can be found at any HSBC Bank Canada branch or by visiting www.hsbc.ca.

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, has more than 180 offices and is the leading international bank in Canada. With around 9,500 offices in 85 countries and territories and assets of US\$2,547 billion at 30 June 2008, the HSBC Group is one of the world's largest banking and financial services organizations.

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*Assumes a 6.85% interest rate, monthly mortgage payments, a 25 year amortization period and annual conversion of reward points for the life of the mortgage.

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