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HSBC BANK CANADA TO ACQUIRE HSBC FINANCIAL CORPORATION LIMITED

HSBC Bank Canada and HSBC Financial Corporation Limited have jointly announced that HSBC Bank Canada intends to acquire HSBC Financial Corporation Limited from HSBC Finance Corporation in the United States. The planned internal transaction is the result of an ongoing strategic review of the HSBC Group's North American operations and is expected to close by the end of 2008, subject to regulatory and Board approvals. All of the financial guarantees between HSBC Finance Corporation and HSBC Financial Corporation Limited will remain in place for all debt issued by HSBC Financial Corporation Limited prior to the closing.

HSBC Bank Canada had total assets of C\$67.4 billion at 30 June 2008 and net income of C\$297 million for the half-year then ended. HSBC Financial Corporation Limited had total assets of C\$5.2 billion at 31 March 2008 and net income of C\$26 million for the first quarter then ended.

Lindsay Gordon, President and Chief Executive Officer of HSBC Bank Canada, said: "The HSBC Group has a global strategy of 'Joining up the company'. As part of this strategy, HSBC Bank Canada will acquire HSBC Financial Corporation Limited to 'Join up' all members of the HSBC Group in Canada under one corporate structure. HSBC Bank Canada and HSBC Financial Corporation Limited are both successful companies and will continue to operate as separate businesses while sharing best practices as we build the HSBC brand in Canada."

HSBC Bank Canada, HSBC Financial Corporation Limited and HSBC Finance Corporation are subsidiaries of HSBC North America Holdings Inc., which is a subsidiary of HSBC Holdings plc.

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HSBC Bank Canada to acquire HSBC Financial Corporation Limited/2

Notes to editors:

1. About HSBC Bank Canada

HSBC Bank Canada (HSB.PR.C - TSX, HSB.PR.D – TSX), a subsidiary of HSBC Holdings plc, has more than 180 offices and is the leading international bank in Canada. With around 10,000 offices in 83 countries and territories and assets of US\$2,354 billion at 31 December 2007, the HSBC Group is one of the world's largest banking and financial services organizations. For more information about HSBC Bank Canada and its products and services, visit hsbc.ca.

2. About HSBC Financial Corporation Limited

HSBC Financial Corporation Limited offers a diversified range of consumer financial services to the Canadian public through a network of over 100 retail branches and other distribution channels. These services include consumer loans, mortgages and private label credit cards. They are offered by the Corporation through four principal operating subsidiaries: HSBC Finance Corporation Canada, HSBC Retail Services Limited, HSBC Finance Mortgages Inc., and Household Trust Company. For more information about HSBC Financial Corporation Limited, visit hsbcfinance.ca

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