



1 April 2009

HSBC BANK CANADA TO FILE AMENDED PROSPECTUS SUPPLEMENT FOR OFFERING OF PREFERRED SHARES

HSBC Bank Canada (the “Bank”) intends to file an amended and restated prospectus supplement for the previously announced offering of Non-Cumulative 5-Year Rate Reset Class 1 Preferred Shares Series E (the “Preferred Shares Series E”). The amendment is a result of ratings action announced on 31 March 2009 by Standard and Poor’s (“S&P”) on the hybrid capital securities of over 60 European financial institutions, including the Bank’s parent company, HSBC Holdings plc. The S&P ratings of the Preferred Shares Series E of ‘P-1(Low)’ and ‘A’ under S&P’s Canadian and Global Preferred Share Rating scales, respectively, are among the highest of the major Canadian banks.

The Bank and a syndicate of investment dealers led by HSBC Securities (Canada) Inc. and Scotia Capital Inc. (the “Underwriters”) intend to enter into an agreement that will amend in certain respects the underwriting agreement they signed on 24 March 2009 (the “Underwriting Agreement” and together with the amending agreement, the “Amended Underwriting Agreement”). The size of the offering will be unchanged at 7 million shares at a price of \$25.00 per share, for gross proceeds of C\$175 million. The expected closing date for the offering, previously scheduled for 31 March 2009, will be amended to 8 April 2009.

Pursuant to the Amended Underwriting Agreement, HSBC Bank Canada will grant the Underwriters the option (the “Underwriters’ Option”), exercisable in whole or in part at any time up to two business days prior to closing, to purchase up to an additional 3 million Preferred Shares Series E at the issue price. Should the Underwriters’ Option be fully exercised, the total gross proceeds of the financing will be C\$250 million.

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The Preferred Shares Series E will entitle the holders to receive non-cumulative preferential fixed quarterly cash dividends if, as and when declared by the board of directors of the Bank, of C\$0.4125 per share, to yield 6.60 per cent annually for the initial period ending 30 June 2014. Thereafter, the dividend rate will reset every five years at a rate equal to 4.85 per cent over the then five-year Government of Canada Bond Yield. Subject to regulatory approval, on 30 June 2014 and on 30 June every five years thereafter, the Bank may redeem the Preferred Shares Series E in whole or in part at par.

Based on the anticipated closing date of 8 April 2009, the first dividend on the Preferred Shares Series E will be payable on 30 June 2009 in the amount of C\$0.3762 per share.

Holders of the Preferred Shares Series E will, subject to certain conditions, have the right to convert all, or any part of, their shares into Non-Cumulative Floating Rate Class 1 Preferred Shares Series F (the "Preferred Shares Series F") on 30 June 2014, and on 30 June every five years thereafter. Holders of the Preferred Shares Series F will be entitled to receive non-cumulative preferential floating rate quarterly cash dividends if, as and when declared by the board of directors of the Bank, equal to the then three-month Government of Canada Treasury Bill Rate plus 4.85 per cent.

The net proceeds from the offering will be used for general corporate purposes and to enhance the Bank's Tier 1 capital base.

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, has more than 290 offices, including over 140 bank branches, and is the leading international bank in Canada. With around 9,500 offices in 86 countries and territories and assets of US\$2,527 billion at 31 December 2008, the HSBC Group is one of the world's largest banking and financial services organizations.

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