



8 April 2009

HSBC BANK CANADA ANNOUNCES COMPLETION OF PREFERRED SHARE OFFERING

HSBC Bank Canada (the “Bank”) has completed the offering of 10 million Non-Cumulative 5-Year Rate Reset Class 1 Preferred Shares Series E (the “Preferred Shares Series E”), issued at a price of C\$25.00 per share to raise gross proceeds of C\$250 million. The offering was made through a syndicate of underwriters led by HSBC Securities (Canada) Inc. and Scotia Capital Inc. The underwriters exercised an option to purchase 3 million Preferred Shares Series E in addition to the 7 million shares that they had previously agreed to purchase. The Preferred Shares Series E commenced trading today on the Toronto Stock Exchange under the ticker symbol HSB.PR.E.

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. Based on the 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. 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.

more...

HSBC Bank Canada announces completion of preferred share offering/2

Holder 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 yield plus 4.85 per cent.

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.

Media enquiries to:

**Ernest Yee
Sharon Wilks**

**604-641-2973
416-868-3878**