INFORMATION STATEMENT

DATED October 23, 2009

HSBC

HSBC BANK CANADA

'BRIC' CURRENCY - LINKED DEPOSIT NOTES,
SERIES 4

DUE APRIL 29, 2013

PRICE: US $100.00 per Note

MINIMUM SUBSCRIPTION: US $2,000.00 (20 Notes)

IMPORTANT INFORMATION

This Information Statement has been prepared for the sole purpose of assisting prospective Noteholders in making an investment decision with respect to the Notes. ***The contents of this Information Statement are not intended as, do not constitute and should not be considered as investment, legal or tax advice. Each prospective Noteholder should seek independent investment, legal and tax advice concerning the consequences of making an investment in the Notes.***

*The Notes are not conventional notes or debt securities in that they do not provide to Noteholders a return at maturity calculated by reference to a fixed or floating rate of interest. The Notes are complex investment products that are constructed using: i) a zero coupon bond which provides the principal protection component; and ii) an embedded derivative that provides indirect exposure (positive or negative) to the value of the underlying Currencies relative to the U.S. Dollar. A**n investment in the Notes is speculative and only persons who are willing to accept no return on their investment should consider purchasing the Notes**.*

*The Notes will be new instruments for which there is currently no established trading market. If there is no secondary market, Noteholders will not be able to sell their Notes prior to maturity. The Notes are more suitable for purchasing and holding up to maturity. Prospective purchasers should take into account all of the various risk factors associated with this offering. See "**Risk Factors**".*

*By purchasing the Notes, Noteholders will be deemed to represent that they understand the terms of the offering and that they have the knowledge and experience necessary to evaluate the merits of such an investment. HSBC Bank Canada ("**HSBC**" or the "**Bank**") has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the Notes are true and accurate in all material respects and that there are no other material facts in relation to the Notes the omission of which would make any statement herein, whether of fact or opinion, misleading as of the date hereof.*

Prospective Noteholders should rely only on the information contained in:

(a) this Information Statement;

(b) any amendments from time to time to this Information Statement; or

(c) any supplementary terms and conditions provided in any related global certificate of deposit lodged with a depository or other definitive replacement certificate of deposit therefor;

in connection with the Notes. Nothing in this Information Statement will constitute a representation or create any implication that there has been no change in the affairs of HSBC since the date hereof.

The Notes will constitute unsecured, unsubordinated obligations of the Bank and, as such, will rank pari passu as among themselves and with all of the Bank's other outstanding unsecured, unsubordinated, present and future obligations including deposit liabilities (except as otherwise prescribed by law) and will be payable rateably without any preference or priority. ***The Notes will not constitute deposits insured under the Canada Deposit Insurance Corporation Act or under any other deposit insurance regime.***

In this Information Statement, capitalized terms will have the meanings ascribed to them and references to " ***US $****" are to United States dollars unless otherwise expressly specified.*

This Information Statement does not constitute an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Information Statement and the offering or sale of the Notes in some jurisdictions may be restricted by law. Persons into whose possession this Information Statement comes are required by HSBC and such person's broker to inform themselves about and to observe any such restriction. This Information Statement constitutes an offering of the Notes only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and then only through persons duly qualified to effect such sales.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons as contemplated under the U.S. Securities Act and the regulations thereunder.

No securities commission or similar authority has in any way passed upon the merits of the Notes and any representation to the contrary may be an offence.

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You may request information about the Notes or obtain another copy of this Information Statement by calling HSBC at 1-866-511-4722. A copy of this Information Statement is also posted at www.hsbcnet.com/spcanada.

During the term of the Notes, you may inquire as to the net asset value of a Note or the Exchange Rates of the underlying Currencies(as described herein) and how they relate to the Variable Return that may be payable under the Notes, by contacting HSBC at the above number.

ELIGIBILITY FOR INVESTMENT

Based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder, the Notes offered hereby will ,if issued on the date hereof,, be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, deferred profit sharing plans, and, tax free savings accounts (collectively "**deferred plans**"), all within the meaning of the Tax Act (other than a deferred profit sharing plan under which HSBC Bank Canada or a person or partnership with which HSBC Bank Canada does not deal at arm's length within the meaning of the Tax Act is an employer). Investors should consult with their own advisors as to whether the Notes will be "prohibited investments" for a tax-free savings account in their particular circumstances.

SUMMARY OF THE OFFERING

As this is a summary, it may not contain all of the information that may be important to you. You should read the entire Information Statement carefully before you decide to make an investment in the Notes. Capitalized terms that are used but not defined in this summary are defined elsewhere in the Information Statement.

Issuer: The Notes will be issued by HSBC Bank Canada (the "**Bank**", "**HSBC**", "**we**", "**our**" or "**us**").

Issue: **HSBC 'BRIC' Currency Linked Deposit Notes, Series 4** (the "**Notes**") are principal protected deposit notes issued by HSBC. If held to maturity, the Notes will pay:

- 100% of the Principal Amount invested; and

  a Variable Return, if any, linked to the increase, if any, in the value of a notional currency basket ("**Currency Basket**") comprised the following four(4) equally weighted currencies representing the group of countries often referred to under the acronym "BRIC": the Brazilian real, the Russian ruble, the Indian rupee and the Chinese yuan (each a "**Currency**" and collectively, the "**Currencies**"). The change in value of each Currency will be measured from its respective Exchange Rate relative to the U.S. Dollar on the Issue Date to its Exchange Rate relative to the U.S. Dollar on the Valuation Date.

- **If the Variable Return is zero or less than zero, then the Notes will not pay a Variable Return.** The actual calculation of Currency Basket Return and Variable Return is described below under "*Description of the Notes – Variable Return*".

Currency Basket: The Variable Return, if any, payable under the Notes is linked to the performance (positive or negative) of each Currency within the Currency Basket relative to the U.S. Dollar. The Currency Basket consists of the following four (4) Currencies, equally weighted in accordance with the following table:

CURRENCY	EXCHANGE RATE	COMPONENT WEIGHT
Brazilian real	USD/BRL	25%
Russian ruble	USD/RUB	25%
Indian rupee	USD/INR	25%
Chinese yuan	USD/CNY	25%

The Currency Basket is notional only and is used simply as a reference for the purpose of measuring the return generated by the Currencies. Noteholders will have no recourse to the Currencies to satisfy amount owing under the Notes.

Issue Price: The price for each Note is US $100.00 (the "**Principal Amount**") with a minimum subscription of US $2,000.00 in Notes per holder (each a "**Noteholder**").

Issue Date: The Notes will be issued on or about October 29, 2009.

Currency Set Date: On or about October 23, 2009

Closing Date: On or about October 22, 2009

Valuation Date: On or about April 23, 2013

Issue Size: Up to US $5,000,000. HSBC may increase or decrease the size of the offering at its sole discretion.

Maturity Date/Term: The Notes will mature on April 29, 2013 or if such date is not a Business Day then on the next succeeding Business Day (the "**Maturity Date"**), resulting in a term to maturity of approximately three and a half (3.5) years (the "**Term**").

Maturity Redemption Amount:

On the Maturity Date, repayment of the full Principal Amount of US $100.00 per Note will be payable to the Noteholder regardless of the performance of the Currencies, *plus* the Variable Return, if any (together, the "**Maturity Redemption Amount**").

Variable Return:

The "**Variable Return**", if any, payable on each Note will be calculated using the following formula:

Principal Amount x **[Participation Rate** x **Currency Basket Return]**

If the Variable Return is zero or less than zero, then the Notes will not pay a Variable Return.

Participation Rate:

115%

Currency Basket Return:

The "Currency Basket Return" is equal to the **sum** of the **Weighted Currency Return** for each of the four (4) Currencies. **If such sum is zero or less than zero, no Variable Return is payable.**

Where:

"Weighted Currency Return" means, in respect of each Currency, a number (which in each case may be a positive or negative number), expressed as a percentage (rounded to two decimal places) equal to the **Component Weight** (expressed as a percentage) *multiplied* by the **Currency Return** (which may be positive or negative) for such Currency. The Weighted Currency Return will be calculated for each Currency using the following formula:

Component Weight x Currency Return

Currency Return:

For each Currency, the Currency Return will be a number (which may be positive or negative), expressed as a percentage (rounded to two decimal places), determined as per the following formula:

$$\frac{\textbf{(Initial Exchange Rate - Final Exchange Rate)}}{\textbf{Initial Exchange Rate}}$$

where:

"**Final Exchange Rate**" means the Exchange Rate on the Valuation Date.

"**Initial Exchange Rate**" means the Exchange Rate on the Currency Set Date.

"**Exchange Rate**" means, for each Currency, the rate for conversion of such Currency into U.S. dollars, expressed as the number of units of such Currency per one U.S. dollar, determined as follows:

i) USD/BRL as the fixing offered rate expressed as a number of BRL per one USD as observed on the PTAX calculated on relevant day and published the next day on Reuters Page "BRFR" at or about 6.00pm Sao Paulo time. Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

ii) USD/RUB as the fixing rate expressed as a number of RUB per one USD as displayed at or about 1.30pm Moscow time as displayed on Reuters page "EMTA". Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

iii) USD/INR as the fixing rate expressed as a number of INR per one USD as displayed at or about 12:30pm Mumbai time on Reuters Page "RBIB". Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

iv) USD/CNY as the fixing rate expressed as a number of CNY per one USD as per PBOC fixing published at or about 9:15am Beijing time and published on Reuters page "SAEC". Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

In the event one or more of the above spot quotations are unavailable, then the Calculation Agent, in its sole discretion, shall determine the appropriate alternative measure of the applicable Exchange Rate on the relevant date, in good faith and in a commercially reasonable manner.

Distribution: The Notes will be sold primarily through an affiliate of HSBC, HSBC Securities (Canada) Inc., as well as through certain other unaffiliated broker or dealers ("**Selling Agents**").

Expenses of the Offering: The Selling Agents will receive from HSBC a fee of up to 3.0% of the aggregate Principal Amount of the Notes sold as a result of the services of the Selling Agents. These upfront expenses will not have an effect on the amount payable to the Noteholders. Specifically the fees will not factor into the formula for, or affect the potential of the Variable Return, if any, which may be payable to Noteholders on the Maturity Date.

Ongoing Information: HSBC will also maintain background information with respect to the Notes on its website at www.hsbcnet.com/spcanada.

Secondary Market and Sale of the Notes prior to the Maturity Date: **There is currently no established trading market through which the Notes may be sold**. A Noteholder cannot elect to receive the Principal Amount from HSBC prior to the Maturity Date and the Notes will not be listed on any exchange. However, Noteholders may be able to sell Notes prior to maturity in any available secondary market that develops, but no assurances are given that such a market will develop or that it will be liquid. HSBC Securities (Canada) Inc. ("**HSBC Securities**") intends, in normal market conditions, but is under no obligation, to use reasonable efforts to provide a secondary price for the Notes as principal (which price will be determined in the sole discretion of HSBC Securities), and to obtain prices upon which third parties may be prepared to purchase Notes in any available secondary market, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Noteholders. Other than any price which HSBC Securities may, but is under no obligation to, obtain or provide, there is no guarantee that third parties will be available in any such secondary market, if one exists. HSBC Securities may, from time to time, purchase and sell Notes but will not be obligated to do so. HSBC Securities will have the right, in its sole discretion, to cease to purchase or sell Notes. If a secondary market develops, it may be suspended or discontinued at any time without notice to Noteholders.

Sales of Notes prior to maturity may be subject to an "**Early Trading Charge**" which will be equal to a percentage of the Principal Amount and will be determined as follows:

Time Period	Early Trading Charge
Issue Date to and including January 31 , 2010	3.0%
February 1, 2010 to and including the Maturity Date	0.0%

If you sell a Note within the first three (3) months from the Issue Date, the proceeds from the sale of the Note will be reduced by the applicable Early Trading Charge as indicated in the table above. After 3 months following the Issue Date, there will not be an Early Trading Charge on a sale of your Notes. See "*Description of the Notes – Secondary Trading of Notes*". **The Notes are not intended to be short-term trading instruments and are generally not suitable for an investor who requires liquidity prior to maturity.** You should consult your investment advisor on whether it would be more favourable in the circumstances at any time to sell the Note on the secondary market (assuming it is available) or hold the Note until the Maturity Date. You should also consult your tax advisor as to the income tax consequences arising from a sale of the Notes prior to the Maturity Date as compared to holding the Notes until the Maturity Date.

Noteholders choosing to sell their Notes prior to the Maturity Date will receive a market price which is not necessarily equal to 100% of the Principal Amount and which does not necessarily reflect any increase in the value of the Currencies against the U.S. Dollar to the date of such sale, and as a result, Noteholders may suffer losses. See "*Risk Factors*".

Book-Entry Registration: On the Issue Date, the Notes will be evidenced and issued by way of a single global certificate to be delivered to and registered in the name of CDS and deposited with CDS. Registrations of interests in and transfers of Notes will be made only through the Book-Entry system administered by CDS and must be subscribed, transferred and repurchased through a participant in the depository service of CDS (a "**CDS Participant**"). Subject to certain limited exceptions, no Noteholder will be entitled to any certificate or other instrument from the Bank or CDS evidencing the ownership thereof, and no Noteholder will be shown on the records maintained by CDS, except through a CDS Participant. See

"*Book-Entry System*"

Rank: The Notes will constitute direct unsecured deposit obligations of the Bank. The Notes will be issued on an unsubordinated basis and will rank *pari passu* as among themselves and will be payable rateably without any preference or priority. **The Notes will not constitute deposits insured under the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime.** The Notes will not be issued under a trust indenture, and no trustee or other fiduciary for Noteholders will be appointed.

Calculation Agent: The Calculation Agent will be HSBC Bank PLC. We may appoint a different Calculation Agent at any time without notice to Noteholders.

Credit Rating of the Issuer: The Notes will not be specifically rated by any rating agency. However, as of the date of this Information Statement, the deposit liabilities of HSBC with a term to maturity of more than one (1) year were rated AA by DBRS and AA by S&P. These ratings represent the rating agencies' assessments of HSBC's creditworthiness and are not indicative of the market risk or liquidity associated with the Notes or the performance of the Currencies relative to the U.S. Dollar within the Currency Basket. **A rating is not a recommendation to buy, sell or hold investments and may be subject to change or withdrawal at any time by the relevant rating agency.**

Tax Considerations: This income tax summary is subject to the limitations and qualifications outlined under "*Canadian Federal Income Tax Considerations*". There should be no deemed accrual of interest in respect of any Variable Return for any taxation year of a Noteholder ending before the taxation year in which a minimum amount of Variable Return payable at maturity becomes calculable. While the matter is not free from doubt, an amount received by a Noteholder on a disposition or a deemed disposition of a Note (other than a payment by or on behalf of HSBC) should generally give rise to a capital gain (or capital loss) to such Noteholder at such time to the extent such amount exceeds (or is less than) the aggregate of such Noteholder's adjusted cost base of the Note and any reasonable costs of disposition. **Holders who dispose of a Note prior to the Maturity Date, particularly within a short period of time before the Maturity Date or pursuant to a private agreement with HSBC or an affiliate, should consult their own tax advisor with respect to their particular circumstances.** See "*Canadian Federal Income Tax Considerations*".

Redemption Under Special Circumstances: Notwithstanding the Maturity Date, the Bank may redeem the Notes prior to maturity under certain limited circumstances, including a change in the law, regulation, taxation regulations or taxation practice or other circumstances not within the control of the Bank. See "*Calculation Agent – Redemption Under Special Circumstances*".

Risk Factors to Consider: The Notes subject the Noteholders to significant risks, including the potential for lost investment opportunities. Potential Noteholders should carefully review and consider all risks set forth in this Information Statement (see "*Risk Factors*"), including:

- The Notes will not constitute insured deposits;
- The Principal Amount is payable only if Notes are held to maturity;
- Noteholders may not receive a Variable Return;
- There is no guaranteed secondary market for the Notes and if such a market develops, there can be no assurance that it will be liquid;
- Price or other movements in the Exchange Rates of the Currencies relative to the U.S. Dollar are unpredictable;
- Noteholders have no ownership interest in the Currencies;
- currencies are volatile and the Exchange Rates are affected by multiple factors specific to each foreign country; including the risk of government intervention;
- Notes could be redeemed prior to maturity as a result of Special Circumstances; and
- Conflicts of interest.

HSBC BANK CANADA

HSBC Bank Canada is the largest full service, globally integrated foreign-owned bank in Canada and the seventh largest Canadian bank overall, with more than 260 offices and total assets of approximately CAD $70.5 billion as at June 30, 2009. As an indirect wholly owned subsidiary of HSBC Holdings plc, HSBC Bank Canada provides its clients with access to one of the largest banking and financial services organizations in the world.

HSBC Holdings plc together with its direct and indirect subsidiaries including HSBC Bank Canada (the "**HSBC Group**") have approximately 8,500 offices in 86 countries and territories and assets of US $2,422 billion on a consolidated basis as at June 30, 2009. The HSBC Group provides a comprehensive range of financial services to more than 125 million customers worldwide.

HSBC Bank Canada files reports and other information, including financial information, on the System for Electronic Document Analysis and Retrieval pursuant to Canadian securities laws. The address of that website is http://www.sedar.com. HSBC Bank Canada's address on the World Wide Web is http://www.hsbc.ca. The information on these websites is for reference purposes only and is not incorporated herein.

DESCRIPTION OF THE NOTES

The Notes will not be issued under a trust indenture as is customarily the case in respect of the issuance of debt securities in public offerings, and no trustee or other fiduciary will be appointed for the Noteholders under such a form of trust indenture or otherwise. The Bank may from time to time incur other indebtedness and additional obligations that rank equally with or senior to the Notes.

The following is a description of the material attributes and characteristics of the Notes and is entirely qualified by and subject to the global certificate referred to below, which contains the full text of such attributes and characteristics. The Bank will provide a copy of the global certificate of the Notes to any Noteholder who requests it.

HSBC will maintain background information with respect to the Notes on its website at www.hsbcnet.com/spcanada.

Issue

The Notes will be issued by HSBC on the Issue Date (October 29, 2009).

Maturity and Repayment of Principal

Each Note matures on the Maturity Date (April 29, 2013), on which date the Principal Amount (i.e. US $100.00 per Note) and the Variable Return, if any, will be payable in respect of the Notes held as at the Maturity Date. However, if the Maturity Date does not occur on a Business Day, then the Maturity Date will be deemed to occur on the next following Business Day and no interest or other compensation will be paid in respect of such postponement.

Variable Return

If the Variable Return is greater than zero, the Noteholders will be paid a Variable Return for each Note in U.S. Dollars at maturity (subject to the occurrence of a Market Disruption Event or Special Circumstances- see "*Calculation Agent*"). The Variable Return, if any, payable on each Note will be calculated using the following formula:

Principal Amount x **[Participation Rate x Currency Basket Return]**

Where:

"Participation Rate" is 115%.

"Currency Basket Return" is equal to the **sum** of the **Weighted Currency Return** for each of the four (4) Currencies. **If such sum is zero or less than zero, no Variable Return is payable. If the Variable Return is zero or less than zero, then the Notes will not pay a Variable Return.**

"Weighted Currency Return" means, in respect of each Currency, a number (which in each case may be a positive or negative number), expressed as a percentage (rounded to two decimal places) equal to the **Component Weight** (expressed as a percentage) *multiplied* by the **Currency Return** (which may be positive or negative) for such Currency. The Weighted Currency Return will be calculated for each Currency using the following formula:

Component Weight x Currency Return

For each Currency, the "**Currency Return**" will be a number (which may be positive or negative), expressed as a percentage (rounded to two decimal places), determined as per the following formula:

$$\frac{\textbf{(Initial Exchange Rate - Final Exchange Rate)}}{\textbf{Initial Exchange Rate}}$$

where:

"**Final Exchange Rate**" means the Exchange Rate on the Valuation Date.

"**Initial Exchange Rate**" means the Exchange Rate on the Currency Set Date.

"**Exchange Rate**" means, for each Currency, the rate for conversion of such Currency into U.S. Dollars, expressed as the number of units of such Currency per one U.S. Dollar, as determined by the Calculation Agent as follows:

i) USD/BRL as the fixing offered rate expressed as a number of BRL per one USD as observed on the PTAX calculated on relevant day and published the next day on Reuters Page "BRFR" at or about 6.00pm Sao Paulo time. Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

ii) USD/RUB as the fixing rate expressed as a number of RUB per one USD as displayed at or about 1.30pm Moscow time as displayed on Reuters page "EMTA". Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

iii) USD/INR as the fixing rate expressed as a number of INR per one USD as displayed at or about 12:30pm Mumbai time on Reuters Page "RBIB". Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

iv) USD/CNY as the fixing rate expressed as a number of CNY per one USD as per PBOC fixing published at or about 9:15am Beijing time and published on Reuters page "SAEC". Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.

In the event one ore more of the above spot quotations are unavailable, then the Calculation Agent, in its sole discretion, shall determine the appropriate alternative measure of the applicable Exchange Rate on the relevant date, in good faith and in a commercially reasonable manner.

Each Currency within the Currency Basket is equally weighted and assigned the same **Component Weight** as follows:

CURRENCY	EXCHANGE RATE	COMPONENT WEIGHT
Brazilian real	USD/BRL	25%
Russian ruble	USD/RUB	25%
Indian rupee	USD/INR	25%
Chinese yuan	USD/CNY	25%

How Do Currency Exchange Rates Work?

Exchange rates reflect the amount of one currency that can be exchanged for a unit of another currency. The Currency Basket performance represents the combined performance of the basket Currencies relative to the U.S. dollar as expressed by the change in the Exchange Rates of the basket Currencies from the Currency Set Date to the Valuation Date.

The Exchange Rate for each of the Currencies is expressed as the number of units of that Currency per one U.S. dollar. As a result, a **decrease** in the Exchange Rate means that the relevant basket Currency has **appreciated / strengthened** relative to the U.S. dollar. This means that it takes fewer of the relevant basket currency to purchase one (1) U.S. dollar on the Valuation Date than it did on the Currency Set Date. Conversely, an **increase** in the Exchange Rate means that the relevant basket currency has **depreciated / weakened** relative to the U.S. dollar. This means that it takes more of the relevant basket Currency to purchase one (1) U.S. dollar on the Valuation Date than it did on the Currency Set Date.

The Currency Basket is notional only and used simply as a reference for the purpose of measuring the return generated by the Currencies. Noteholders will have no recourse to the Currencies to satisfy amount owing under the Notes.

The Exchange Rates of each of the Currencies are volatile and an investment linked to such Currencies may be considered to be speculative. The offering of the Notes by HSBC and the sale of the Notes by the Selling Agents does not constitute and should not be considered to be a recommendation to invest in any of the Currencies or a statement by such persons regarding their expectations regarding the future Exchange Rates of the Currencies. Indeed, in some cases, a purchase of Notes may be contrary to public statements and client recommendations made by HSBC, the Selling Agents, or their affiliates with respect to any of the Currencies. **A prospective investor of the Notes should independently determine, with his or her own advisors, whether an investment linked to the performance of the Currencies is suitable having regard to his or her own investment objectives and expectations.**

See "*Annex A*" for further information about the Currencies, including brief descriptions and information on their historical exchange rates. In addition, information regarding such Currencies may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. **We make no representation or warranty as to the accuracy or completeness of such information.**

HYPOTHETICAL EXAMPLES

PLEASE NOTE THAT THE FOLLOWING HYPOTHETICAL EXAMPLES ARE PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY AND ARE NOT A FORECAST OR ESTIMATE OF ANY ACTUAL VARIABLE RETURN OR CURRENCY BASKET RETURN.

The following tables illustrate the manner in which the Maturity Redemption Amount will be calculated, using various hypothetical assumptions as to the performance of the Exchange Rates of the Currencies over the Term of the Notes. All references to "$" within the tables are to United States Dollars. **Please note that if the Variable Return is calculated to be zero or less than zero, then the Note will not pay a Variable Return.**

Illustration Purposes Only – Not Intended to Predict Actual Results.

Example 1: Positive Scenario – Assumes overall positive performance of the Currency Basket.

Currency (Exchange Rate)	Brazilian real (USD/BRL)	Russian ruble (USD/RUB)	Indian rupee (USD/INR)	Chinese yuan (USD/CNY)
Initial Exchange Rate	2.01	31.37	48.60	6.84
Final Exchange Rate	1.66	20.04	41.13	4.02
Currency Return ((Initial Exchange Rate - Final Exchange Rate) / Initial Exchange Rate)	17.26%	36.12%	15.37%	41.28%
Component Weight	25%	25%	25%	25%
Weighted Currency Return (Component Weight x Currency Return)	4.32%	9.03%	3.84%	10.32%
Currency Basket Return (sum of Weighted Currency Returns)	27.51%			
Participation Rate	115%			
Principal Amount	$10,000.00			
Variable Return (Principal Amount x (Participation Rate x Currency Basket Return))	$3,163.38			
Maturity Redemption Amount (Principal Amount + Variable Return)	$13,163.38			

In this scenario, the Currency Basket Return is calculated to be approximately 27.51%. Since the Currency Basket Return is calculated to be positive on the Valuation Date, the Variable Return is calculated to be the product of (a) the Principal Amount multiplied by (b) the Participation Rate multiplied by (c) the Currency Basket Return. Therefore, the Variable Return in this example would equal:

US $10,000.00 x (115% x 27.51%) = US $3,163.38

Therefore, the Notes would pay a Maturity Redemption Amount of US $13,163.38 at maturity, resulting in a gain for the investor of US $3,163.38. This is equivalent to an approximate return of 31.63% (8.17% annualized).

Example 2: Negative Scenario - Assumes overall poor performance of the Currency Basket.

Currency (Exchange Rate)	Brazilian real (USD/BRL)	Russian ruble (USD/RUB)	Indian rupee (USD/INR)	Chinese yuan (USD/CNY)
Initial Exchange Rate	2.01	31.37	48.60	6.84
Final Exchange Rate	2.13	35.32	54.56	7.75
Currency Return ((Initial Exchange Rate - Final Exchange Rate) / Initial Exchange Rate)	-5.97%	-12.59%	-12.26%	-13.30%
Component Weight	25%	25%	25%	25%
Weighted Currency Return (Component Weight x Currency Return)	-1.49%	-3.15%	-3.07%	-3.33%
Currency Basket Return (sum of Weighted Currency Returns)	-11.03%			
Participation Rate	115%			
Principal Amount	$10,000.00			
Variable Return (Principal Amount x (Participation Rate x Currency Basket Return))	$0.00			
Maturity Redemption Amount (Principal Amount + Variable Return)	$10,000.00			

In this scenario, the Currency Basket Return is calculated to be approximately -11.03%. Since the Currency Basket Return is calculated to be less than 0% on the Valuation Date, the Variable Return is calculated to be zero. Therefore, the Notes would pay a Maturity Redemption Amount of US $10,000.00 at maturity.

Example 3: Mixed Scenario - Assumes mixed performance of the Currency Basket

Currency (Exchange Rate)	Brazilian real (USD/BRL)	Russian ruble (USD/RUB)	Indian rupee (USD/INR)	Chinese yuan (USD/CNY)
Initial Exchange Rate	2.01	31.37	48.60	6.84
Final Exchange Rate	1.61	20.21	55.36	7.84
Currency Return ((Initial Exchange Rate - Final Exchange Rate) / Initial Exchange Rate)	19.80%	35.57%	-13.91%	-14.68%
Component Weight	25%	25%	25%	25%
Weighted Currency Return (Component Weight x Currency Return)	4.95%	8.89%	-3.48%	-3.67%
Currency Basket Return (sum of Weighted Currency Returns)	6.69%			
Participation Rate	115%			
Principal Amount	$10,000.00			
Variable Return (Principal Amount x (Participation Rate x Currency Basket Return))	$769.90			
Maturity Redemption Amount (Principal Amount + Variable Return)	$10,769.90			

In this mixed scenario, the Currency Basket Return is calculated to be approximately 6.69%, despite two of the Currencies having a negative price performance. Since the Currency Basket Return is calculated to be positive on the Valuation Date, the Variable Return is calculated to be the product of (a) the Principal Amount multiplied by (b) the Participation Rate multiplied by c) the Currency Basket Return. Therefore, the Variable Return in this example would equal:

US $10,000.00 x (115% x 6.69%) = US $769.90

Therefore, the Notes would pay a Maturity Redemption Amount of US $10,769.90 at maturity, resulting in a gain for the investor of US $769.90. This is equivalent to an approximate return of 7.70% (2.14% annualized).

Secondary Trading of Notes

Secondary Market

There is currently no established trading market through which the Notes may be sold. A Noteholder cannot elect to receive the Principal Amount from HSBC prior to the Maturity Date and the Notes will not be listed on any exchange. However, Noteholders may be able to sell Notes prior to maturity in any available secondary market that develops, but no assurances are given that such a market will develop or that it will be liquid. HSBC Securities intends, in normal market conditions, but is under no obligation, to use reasonable efforts to provide a secondary price for the Notes as principal (which price will be determined in the sole discretion of HSBC Securities), and to obtain prices upon which third parties may be prepared to purchase Notes in any available secondary market, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Noteholders. Other than any price which HSBC Securities may, but is under no obligation to, obtain or provide, there is no guarantee that third parties will be available in any such secondary market, if one exists. HSBC Securities may, from time to time, purchase and sell Notes but will not be obligated to do so. HSBC Securities will have the right, in its sole discretion, to cease to purchase or sell Notes. If a secondary market develops, it may be suspended or discontinued at any time without notice to Noteholders.

The Notes are not designed to be short-term trading instruments and are intended to be held to maturity. Noteholders choosing to sell their Notes prior to the Maturity Date will receive a market price which is not necessarily equal to 100% of the Principal Amount and which does not necessarily reflect any increase in the value of the Currencies against the U.S. Dollar to the date of such sale, and as a result, Noteholders may suffer losses.

A sale of a Note prior to the Maturity Date may be subject to an early trading charge ("**Early Trading Charge**") having regard to the year of any repurchase prior to maturity. If a Note is sold within the first three (3) months from the Issue Date, the proceeds from the sale of the Note will be reduced by an Early Trading Charge equal to a percentage of the Principal Amount of the Note determined as follows:

Time Period	Early Trading Charge
Issue Date to and including January 31 , 2010	3.0%
February 1, 2010 to and including the Maturity Date	0.0%

A Noteholder should be aware that any valuation price for the Notes, as well as any bid price quoted to the Noteholder to sell his or her Notes within the first 3 months from the Issue Date will be before the application of any applicable Early Trading Charge. A Noteholder wishing to sell Notes prior to the Maturity Date should consult with his or her investment advisor regarding any applicable Early Trading Charge.

A Noteholder should consult his or her investment advisor on whether it would be more favourable in the circumstances at any time to sell the Note (assuming the availability of a secondary market) or hold the Note until the Maturity Date. A Noteholder should also consult his or her tax advisor as to the income tax consequences arising from a sale prior to the Maturity Date as compared to holding the Note until the Maturity Date. See "*Canadian Federal Income Tax Considerations*".

Forms of the Notes

Each Note will generally be represented by a global deposit note representing the entire issuance of Notes. HSBC will issue Notes evidenced by certificates in definitive form to a particular Noteholder only in limited circumstances. Both certificated Notes in definitive form and global deposit notes will be issued in registered form. HSBC's obligations in regards to the Notes shall be the holder of the security as they are named on the face of the security.

Definitive Notes if issued will name Noteholders or nominees as the owners of the Notes, and in order to transfer or exchange these definitive Notes or to receive payments other than interest or other interim payments, the Noteholders or nominees (as the case may be) must physically deliver the Notes to HSBC. A global deposit note will name a depositary or its nominee as the owner of the Notes, initially to be CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. Each Noteholder's beneficial ownership of Notes will be shown on the records maintained by the Noteholder's broker/dealer, bank, trust company or other representative that is a participant in the relevant depositary, as explained more fully below. Interests of participants will be shown on the records maintained by the relevant depositary. Neither HSBC nor any depositary will be bound to see to the execution of any trust affecting the ownership of any Note or be affected by notice of any equity that may be subsisting with respect to any Note.

Global Deposit Note

HSBC will issue the registered Notes in the form of the fully registered global deposit note that will be deposited with a depositary (initially being CDS) and registered in the name of such depositary or its nominee in a denomination equal to the aggregate Principal Amount of the Notes. Unless and until it is exchanged in whole for Notes in definitive registered form, the registered global deposit note may not be transferred except as a whole by and among the depositary, its nominee or any successors of such depositary or nominee.

Payments on the Notes represented by a registered global deposit note registered in the name of a depositary or its nominee will be made to the depositary or its nominee, as the case may be, as the registered owner of the registered global deposit note. HSBC will not have any responsibility or liability whatsoever for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global deposit note or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

HSBC expects that the depositary for any of the Notes represented by a registered global deposit note, upon receipt of any payment on the Notes, will immediately credit participants' accounts in amounts proportionate to their respective beneficial interests in that registered global deposit note as shown on the records of the depositary. HSBC also expects that payments by participants to owners of beneficial interests in a registered global deposit note held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of those participants.

Definitive Notes

If the depositary for any of the Notes represented by a registered global deposit note is at any time unwilling or unable to continue to properly discharge its responsibilities as depositary, and a successor depositary is not appointed by HSBC within 90 days, HSBC will issue Notes in definitive form in exchange for the registered global deposit note that had been held by the depositary.

In addition, HSBC may at any time and in its sole discretion decide not to have any of the Notes represented by one or more registered global deposit notes. If HSBC makes that decision, HSBC will issue Notes in definitive form in exchange for all of the registered global deposit notes representing the Notes.

Payments on a definitive Note will be made by cheque mailed to the applicable registered Noteholder at the address of the Noteholder appearing in the aforementioned register in which registrations and transfers of Notes are to be recorded or, if requested in writing by the Noteholder at least five Business Days before the date of the payment and agreed to by HSBC, by electronic funds transfer to a bank account nominated by the Noteholder with a bank in Canada.

Payment of the Maturity Redemption Amount

The Maturity Redemption Amount will be paid through CDS to the applicable CDS Participants to those participants’ CDS accounts in amounts proportionate to their respective beneficial interests in the Maturity Redemption Amount as shown on the records of CDS. It is expected that payments by CDS Participants to owners of beneficial interests in the global certificate held through such CDS Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such CDS Participants. Generally, such payments will be made by cheque or, pursuant to an agreement between the Noteholders and the relevant CDS Participant, by wire transfer. The responsibility and liability of the Bank in respect of the Notes represented by the global certificate is limited to making payment of any amount due on the global certificate to CDS. Upon receipt in full of such amounts by CDS or the Noteholders, as the case may be, the Bank will be discharged from any further obligation with regard to such payments.

Rank

The Notes will constitute unsecured, unsubordinated deposit obligations of the Bank and, as such, will rank *pari passu* as among themselves and with all of the Bank’s other outstanding unsecured, unsubordinated, present and future obligations including deposit liabilities (except as otherwise prescribed by law) and will be payable rateably without any preference or priority. **The Notes will not constitute deposits insured under the *Canada Deposit Insurance Corporation Act* or under any other deposit insurance regime.**

Amendments to the Notes

The global certificate representing the Notes may be amended without the consent of the holders by the Bank if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interests of the holders. In other cases, the global certificate may be amended if the amendment is approved by a resolution passed by the favourable votes of the holders of not less than 66 2/3% of the Notes represented at a meeting convened for the purposes of considering the resolution, or by written resolution signed by holders of not less than 66 2/3% of the Notes. Quorum for a meeting shall be reached if holders of 10% or more of the Notes are present at the meeting.

Each Noteholder is entitled to one vote per Note held by such Noteholder for the purposes of voting at meetings. If a quorum is not reached at any meeting, that meeting must be adjourned to a later date not earlier than seven Business Days after the original meeting date, in which case the quorum required shall be the Noteholders present at such adjourned meeting. The Notes do not carry the right to vote in any other circumstances.

Deferred Payment

Federal laws of Canada preclude payments of interest or other amounts for the advancing of credit at effective rates in excess of 60% per annum. When any payment is to be made by the Bank to a Noteholder on account of the Maturity Redemption Amount of a Note, payment of a portion of such amount may be deferred to ensure compliance with such laws.

CALCULATION AGENT

The Bank has appointed HSBC Bank PLC, an affiliate of the Bank, as Calculation Agent with regard to the Notes. The Calculation Agent will be solely responsible for (i) the calculation of the Currency Basket Return and amounts payable to a Noteholder; (ii) the determination of amounts payable to a Noteholder upon the occurrence of a Special Circumstance as set forth under "*Redemption Under Special Circumstances*" below; (iii) determining whether a Market Disruption Event exists; and (iv) determining the net asset value of the Note or Note value for general valuation purposes. All determinations and calculations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on the Bank and the Noteholders. The Calculation Agent may have economic interests adverse to those of the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make. See "*Risk Factors*". The Calculation Agent is obligated to carry out its duties and functions in good faith and using its reasonable judgment.

Redemption Under Special Circumstances

In the event of a Special Circumstance (defined below), all of the outstanding Notes may be redeemed, at the option of the Bank (a "**Redemption Under Special Circumstances**"). In the event of a Redemption Under Special Circumstances for which the Bank has opted to redeem all of the Notes, the Bank, acting in good faith, will set a date for the redemption of the Notes (the "**Special Redemption Date**"). If the Note value, as determined by the Calculation Agent in accordance with industry-accepted methods based on a number of interrelated factors, is equal to or greater than the Principal Amount, then the Notes will be redeemed on the Special Redemption Date and Noteholders of record on such date will be entitled to receive the Note value (which shall not be less than the Principal Amount). The Bank will make available to Noteholders, no later than 10:00 a.m. (Toronto time) on the fifth (5^{th}) Business Day following the determination of the Note value, the amount payable pursuant to such redemption, through CDS or its nominee. If, however, the Note value is less than the Principal Amount, then the Notes will not be redeemed on the Special Redemption Date and an amount equal to the Note value will be notionally invested in permitted investments (fixed income and money market instruments) until the earlier of (i) the date on which such amount equals or exceeds the Principal Amount or (ii) the Maturity Date. As a result, Noteholders would receive only the Principal Amount and any amount in excess of the Principal Amount accumulated under (i). Payment of any amount there under will be made on the fifth (5^{th}) Business Day following such date.

"**Special Circumstance**" means:

(a) a case where, in the opinion of the Bank acting reasonably and in good faith, an amendment or a change is made to an act or regulation; to taxation practices, policies or administration; to the interpretation of an act or regulation or taxation practice, policy or administration; or an event occurs, now or in the future, caused by circumstances beyond the control of the Bank making it illegal or disadvantageous, from a legislative or regulatory point-of-view, or disadvantageous, from a financial point-of-view, for the Bank to allow its Notes to remain outstanding; or

(b) as a result of any change in law affecting the Bank or its affiliates or the issuance of any judgment, order, ruling, decree, administrative guideline or policy of or by any court or governmental authority or administrative body or tribunal of competent jurisdiction having or claiming jurisdiction over the Bank or its affiliates, which, as determined by the Bank in its sole discretion, prohibits or renders unlawful the performance of the Bank's obligations under the Notes.

Market Disruption Event

If the Calculation Agent determines that a Market Disruption Event (as defined below) in respect of a Currency has occurred and is continuing on any date that but for that event would be a Valuation Date in respect of such Currency, then the Currency Return of such

Currency will be determined on the basis that such Valuation Date will be postponed to the next Business Day on which there is no Market Disruption Event in effect in respect of such Currency.

However, there will be a limit for postponement of any Valuation Date. If on the fifth Business Day following the date originally scheduled as a Valuation Date, such Valuation Date has not occurred, then despite the occurrence of any Market Disruption Event in respect of such Currency on or after such fifth Business Day, such fifth Business Day will be the Valuation Date in respect of such Currency.

A Market Disruption Event may delay the determination of a Currency Return and consequently the calculation of the Maturity Redemption Amount that may be payable. Payment of the Maturity Redemption Amount will be made on the fifth Business Day after all Currency Returns used in the calculation of the Variable Return have been determined.

"**Market Disruption Event**" means, in respect of a Currency, any *bona fide* event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of the Calculation Agent or any person that does not deal at arm's length with the Calculation Agent which has or will have a material adverse effect on the ability of foreign exchange traders generally to place, maintain or modify hedges of positions in respect of such Currencies and the related Exchange Rate for such Currencies. A Market Disruption Event may include, without limitation, any of the following events, as determined by the Calculation Agent:

(a) any suspension of or limitation imposed on trading by relevant foreign exchange markets or otherwise relating to a Currency, or in futures or options contracts or futures contracts relating to a Currency;

(b) any event that disrupts or impairs the ability of market participants in general (i) to effect transactions in, or obtain market values for, a Currency or the related Exchange Rate or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to a Currency or the related Exchange Rate;

(c) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any court or other governmental authority which would make it unlawful or impracticable for the Calculation Agent to perform its obligations under the Notes or for equity dealers generally to place, maintain or modify hedges of positions in respect of a Currency or the related Exchange Rate;

(d) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada, the United States of America or the country of a Currency; or

(e) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of the Calculation Agent to perform its obligations under the Notes or of dealers generally to place, maintain or modify hedges of positions with respect to a Currency or the related Exchange Rate or a material and adverse effect on the economy of Canada, the United States of America or the country of a Currency; or

(f) the disappearance of, or trading in, a Currency.

PLAN OF DISTRIBUTION

The Notes are being offered by the Bank. The closing will take place on the Closing Date. The proceeds to HSBC from the issuance of the Notes will constitute deposits received by HSBC and will be used for general banking purposes. The Bank may also use those proceeds in transactions intended to hedge the Bank's obligations under the Notes.

Subscriptions for the Notes may be made through Selling Agents however, the Bank also reserve the right to sell the Notes to investors directly on our own behalf in those jurisdictions in which we are authorized to do so. **HSBC Securities, one of the Selling Agents, is a wholly owned subsidiary of the Bank. As a result, the Bank is a related issuer of the HSBC Securities under applicable securities legislation.** Subscriptions received will be subject to rejection or allotment in whole or in part and the Bank reserves the right to close the subscription books at any time without notice. Affiliates of HSBC may subscribe for Notes.

The Bank has agreed to pay the Selling Agents a fee equal to up to 3.0% of the aggregate Principal Amount of the Notes as a result of the services of the Selling Agents. These Selling Agents and other firms may pay a portion of such commissions to their advisors who sell the Notes to Noteholders. These fees and expenses will not have an effect on the amounts payable to the Noteholders at maturity. Specifically, the fees will not factor into the formula for, or affect the Variable Return, if any, which is payable to the Noteholders at maturity.

Selling Agents may from time to time purchase and sell Notes in any available secondary market but are not obligated to do so. The offering price and other selling terms for any such sales in a secondary market may, from time to time, be varied by such dealers.

HSBC reserves the right to issue additional notes of this series and other debt instruments or deposit notes which may have terms substantially similar to the terms of the Notes offered hereby, which may be offered by HSBC concurrently with the offering of Notes.

In connection with the issue and sale of the Notes, no person is authorized to give any information or to make any representation not expressly contained in this Information Statement and HSBC does not accept responsibility for any information not contained herein. This Information Statement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Notes or the distribution of this Information Statement in the United States or to U.S. Persons (as defined in the regulations under the U.S. Commodity Exchange Act, as amended) or in any jurisdiction outside Canada where any action is required.

SUITABILITY FOR INVESTMENT

You may be suited to become a Noteholder if, among other benefits, you: (1) are looking for safety of principal if held to maturity; (2) want the potential to earn a return that may be greater than what is available from a traditional fixed term deposit but with similar risks to your principal investment; (3) are prepared to assume risks with respect to a return tied to the value of the Currencies relative to the U.S. Dollar ; and (4) you believe the Exchange Rates of the Currencies will appreciate relative to the U.S. Dollar.

The Notes are appropriate as investments only for those Noteholders who are willing to accept a high degree of investment risk and limited or no liquidity. An investment in the Notes is speculative and only persons who are willing to accept no return on their investment should consider purchasing the Notes. The Notes have certain investment characteristics that differ from those of conventional fixed income investments in that they do not provide Noteholders with a return or income stream prior to maturity or a return at maturity, calculated by reference to a fixed or floating rate of interest that is determinable prior to maturity. The return on the Notes is uncertain in that if the Currency Basket does not generate a positive return relative to the U.S. dollar at maturity, the Notes will produce no return on the Noteholders' original investment. There is no assurance that the Currency Basket will be able to generate a positive return relative to the U.S. dollar at maturity. Therefore, there is no assurance that a Noteholder will receive any amount at maturity other than repayment of their initial Principal Amount invested. Moreover, the value of an investment in the Notes may diminish over time owing to inflation and other factors that adversely affect the present value of future payments. Therefore, the Notes are not suitable investments for investors requiring or expecting certainty of yield.

Potential Noteholders should consult with their own investment, legal and tax advisors to determine the suitability of an investment in the Notes and the appropriate amount, if any, of an investment of this nature. HSBC makes no recommendation as to the suitability of the Notes for investment. See "*Risk Factors*".

BOOK ENTRY SYSTEM

The Notes will be issued in "book-entry only" form and must be subscribed, transferred and repurchased through a CDS Participant. On the Issue Date, the Bank will cause a single global certificate evidencing all Notes purchased pursuant to this offering to be delivered to and registered in the name of CDS. Registration of interests in and transfers of the Notes will be made only through the Book-Entry System administered by CDS. Subject to the exceptions mentioned hereinafter, no Noteholder will be entitled to any certificate or other instrument from the Bank or CDS evidencing the ownership thereof, and no Noteholder will be shown on the records maintained by CDS, except through a CDS Participant. All rights of a Noteholder must be exercised through, and all payments or other property to which such Noteholder is entitled will be made or delivered by, CDS or the CDS Participant through which the Noteholder holds the Notes. Upon subscription of any Notes, the Noteholder will receive only the customary confirmation that will be sent to such Noteholder by the broker or by other dealers from whom or through whom such Notes are subscribed.

Definitive certificates in relation to the Notes will be issued to CDS Participants if the Bank advises the Noteholders that CDS is no longer willing or able to properly discharge its responsibilities as depositary with respect to the Notes or if CDS ceases to be a recognized clearing agency under applicable Canadian securities legislation and the Noteholders and the Bank are unable to locate a qualified successor depositary system, or if the Bank notifies CDS that it desires or is required to replace the global certificate with Notes in definitive form, or if the Bank elects or is required by law to terminate the registration of the Notes through the Book-Entry System. Upon the surrender by CDS of the global certificate representing the Notes and instructions from CDS for registration, the Bank will issue definitive certificates to CDS Participants appearing on the records maintained by CDS at the time of or as soon as practicable prior to such delivery, which definitive certificates will thereafter evidence Notes previously evidenced by the global certificate.

The Maturity Redemption Amount at the Maturity Date, payable under the global certificate will be paid to the applicable CDS Participants to those Participants' CDS accounts in amounts proportionate to their respective beneficial interests in the Notes as shown on the records of CDS or its nominee. It is expected that payments by CDS Participants to owners of beneficial interests in the global certificate held through such CDS Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name”, and will be the responsibility of such CDS Participants. The responsibility and liability of the Bank in respect of the Notes represented by the global certificate is limited to making payment of any amount due on the global certificate to CDS or its nominee.

The Bank will not assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Notes held by CDS or the payments relating thereto, (b) maintaining, supervising or reviewing any records relating to the beneficial ownership of the Notes, or (c) any advice or representations made by, or with respect to, CDS and the rules governing CDS, or any action to be taken by CDS or at the direction of the CDS Participants.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of a Note by a Noteholder who, for purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm’s length with, and is not affiliated with, HSBC, and holds the Note as capital property (a “**Canadian Holder**“). This summary is applicable to a Canadian Holder that is an individual (excluding trusts) and is not applicable to a Canadian Holder that is a corporation, partnership or trust, including a “financial institution” as defined in the Tax Act for the purposes of the rules governing securities held by financial institutions.

A Note will generally be capital property to a Noteholder unless: (i) such Noteholder holds the Note in the course of carrying on a business of dealing in securities; or (ii) such Noteholder acquired the Note in a transaction or transactions considered to be an adventure in the nature of trade. Certain Noteholders whose Notes might not otherwise qualify as capital property, or who would like certainty with respect to the treatment of the Notes as capital property, may be entitled to make an irrevocable election to have the Notes and every other “Canadian security” (as defined in the Tax Act) held by the Noteholder, deemed to be capital property pursuant to subsection 39(4) of the Tax Act. Noteholders should consult their own tax advisors as to whether they will hold the Notes as capital property.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the “**Regulations**“) as in force at the date hereof, all proposed amendments to the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) published in writing by CRA prior to the date hereof. There can be no assurances that the Proposed Amendments will be enacted in the form proposed, or at all. This summary does not take into account provincial, territorial or foreign income tax considerations. All amounts relating to the acquisition, holding and disposition of Notes must be determined in Canadian dollars for purposes of the Tax Act using the daily noon rate of exchange as quoted by the Bank of Canada for the applicable day or such other rate of exchange that is acceptable to CRA.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and should not be interpreted or relied upon as legal or tax advice to any particular Noteholder. You should consult your tax advisers with respect to your particular circumstances and the tax consequences of holding Notes.

Variable Return

In the event that the Canadian Holder holds Notes until the Maturity Date, the full amount of the Variable Return, if any, will generally be included in the Canadian Holder’s income in the Canadian Holder’s taxation year that includes the Maturity Date, except to the extent that such Variable Return has already been included in the Canadian Holder’s income for that or a preceding taxation year.

The Notes are “prescribed debt obligations” for the purposes of the Tax Act and the Regulations. Accordingly, a Canadian Holder will generally be required to include annually in income any interest deemed to accrue on the Notes in accordance with the provisions of the Tax Act and the Regulations. Based in part on an understanding of the CRA’s administrative practice, there should be no deemed accrual of interest with respect to the Variable Return on the Notes for any taxation year of a Canadian Holder ending before the taxation year in which a minimum amount of Variable Return becomes calculable. HSBC has been advised that the CRA is reviewing whether the existence of a secondary market for a “prescribed debt obligation” such as the Notes should be taken into consideration in determining whether interest is deemed to accrue on such obligation. There can be no assurance that the above understanding of CRA’s administrative practice will be applied to Noteholders or that such practice will not be subject to adverse change or qualification relevant to the Notes.

The interest accrual rules in the Tax Act and the Regulations are complex. Canadian Holders of the Notes should consult their own tax advisors regarding the application of these rules to their particular circumstances.

Disposition of the Notes

Where a Canadian Holder assigns or otherwise transfers a Note, the amount of any interest deemed to accrue on the Note to that time will be excluded from the proceeds of disposition of the Note and will be required to be included as interest in computing the Canadian Holder's income for the taxation year in which the transfer occurs, except to the extent that it has been otherwise included in income for the taxation year or a preceding taxation year. As noted above, there should be no deemed accrual of interest with respect to the Variable Return on the Notes for any taxation year of a Canadian Holder ending before the taxation year in which a minimum amount of Variable Return becomes calculable.

Although not free from doubt, a Canadian Holder who disposes of, or is deemed to dispose of, a Note (other than a disposition by virtue of the repayment or purchase of such Note by or on behalf of HSBC) should realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of the Note, less any reasonable costs of disposition, exceed (or are exceeded by) the Canadian Holder's adjusted cost base of the Note at the time of disposition. Canadian Holders who dispose (or are deemed to dispose of) a Note prior to the Maturity Date, particularly those who dispose of a Note shortly prior to the Maturity Date, should consult their own tax advisors with respect to their particular circumstances. There can be no assurance as to whether any change or qualification in CRA's administrative practice with respect to notes which benefit from a secondary market could affect CRA's treatment of disposition of Notes other than to HSBC.

One-half of a capital gain realized by a Canadian Holder must be included in the income of the Canadian Holder. One-half of a capital loss realized by a Canadian Holder is deductible against the taxable portion of capital gains realized in the year, and the excess, if any, may be deducted against net taxable capital gains in the three preceding taxation years or in subsequent years, subject to the rules in the Tax Act. Capital gains realized by an individual may give rise to a liability for alternative minimum tax.

To the extent a Canadian Holder realizes a gain (or loss) on the disposition of a Note as a result of a fluctuation in the value of the U.S. Dollar relative to the Canadian dollar, the gain (or loss) shall be deemed to be a capital gain (or a capital loss) from the disposition of foreign currency. For a Canadian Holder that is an individual, the first CAD$ 200 of gains (or losses) realized in a taxation year from dispositions or deemed dispositions of foreign currency will not be included for the purposes of computing the capital gains (or capital losses) realized by such individual in such taxation year.

RISK FACTORS

The Notes subject the Noteholders to significant risks, including the potential for lost investment opportunities. Prospective Noteholders should carefully consider the risks associated with acquiring and holding Notes. The discussion below does not purport to be complete or to reflect all potential risks associated with this investment. The risks outlined below are in addition to those risks discussed or referred to elsewhere in this Information Statement. Potential Noteholders in the Notes should carefully review and consider all risks inherent in the Notes prior to making an investment decision, including the following factors:

Notes not suitable for all Noteholders.

The Notes are complex and are subject to certain risks. The Notes are appropriate as investments only for those Noteholders who are willing to accept a high degree of investment risk and limited or no liquidity. An investment in the Notes is speculative and only persons who are willing to accept no return on their investment should consider purchasing the Notes. The return on the Notes is uncertain in that if the Currency Basket does not generate a positive return relative to the U.S. Dollar at maturity, the Notes will produce no return on the Noteholders' original investment. There is no assurance that the Currency Basket will be able to generate a positive return relative to the U.S. dollar at maturity. Therefore, there is no assurance that a Noteholder will receive any amount at maturity other than repayment of their initial Principal Amount invested. Moreover, the value of an investment in the Notes may diminish over time owing to inflation and other factors that adversely affect the present value of future payments. Therefore, the Notes are not suitable investments for investors requiring or expecting certainty of yield. The Notes are also designed for investors who are prepared to hold the Notes to maturity.

Before purchasing the Notes, you should consult with your financial, legal, tax, accounting and other advisors, as to the suitability of the Notes in light of your circumstances, your total portfolio of investments and the risks associated with the Notes. HSBC, the Selling Agents and the Calculation Agent make no recommendation as to the suitability of the Notes for investment.

The Notes are not being offered pursuant to and are not otherwise subject to securities laws in certain provinces or territories in Canada and have not been registered with, recommended by or approved by any securities regulatory authority in Canada. No such authority has reviewed this Information Statement or approved or disapproved of the Notes or in any manner passed upon the accuracy or adequacy of the information contained in this Information Statement or the merits of the Notes offered hereunder, and no such authority will do so. The Notes have not been and will not be registered under the U.S. Securities Act, and subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons as contemplated under the U.S. Securities Act and the regulations thereunder.

Notes will not constitute Insured Deposits.

The Notes will not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* or any other deposit insurance legislation or regime.

Principal Amount is payable only if Notes are held to maturity.

The Notes are designed so that if, and only if, they are held to maturity, you will receive no less than 100% of the Principal Amount regardless of the performance of the Currencies relative to the U.S. Dollar, plus the Variable Return, if any. If you sell your Notes prior to maturity you may not receive your entire Principal Amount initially invested.

Noteholders have no ownership interest in the Currencies.

An investment in the Notes does not constitute an investment in physical Currencies. The Currencies are designed as a reference for the purpose of calculating the Variable Return. Noteholders will not have recourse to the Currencies to satisfy amounts owing under the Notes.

Credit Risk.

The Notes are not deposits insured under the *Canada Deposit Insurance Corporation Act* (Canada) or any other deposit insurance legislation or regime. You are relying solely on HSBC for payment on the Notes. Because the obligation to make payment to Noteholders is incumbent upon HSBC, the likelihood that such Noteholders will receive a Variable Return, if payable, and the Principal Amount owing to them in connection with the Notes at maturity will be dependent on the financial health and creditworthiness of HSBC. As a result, you bear the risk of a failure of HSBC to pay any amounts due on the Notes.

Fluctuations in the Exchange Rates of the Currencies will have a significant impact upon the value of the Notes.

Purchasers should recognize that the currency markets are volatile and that it is impossible to know how the Exchange Rates will change during the Term. The historical or pro forma performance of the Exchange Rates of the Currencies relative to the U.S. Dollar should not be taken as an indication of the future performance. It is impossible to predict whether the value of each of the Exchange Rates of the Currencies will fall or rise over the Term. The value of the Currencies will be influenced by the complex and interrelated economic, financial, regulatory, geographic, judicial, political and other factors that can affect the currency markets are traded and/or the value of the Notes.

Yield on Notes may be less than that of a standard debt security of comparable maturity.

The Notes have certain investment characteristics that differ from those of conventional fixed income investments in that they do not provide Noteholders with a return or income stream prior to maturity or a return at maturity, calculated by reference to a fixed or floating rate of interest that is determinable prior to maturity.

No Guaranteed Secondary Market for the Notes Exists / Possible illiquidity.

The Notes will be new instruments for which there is currently no established trading market. If there is no secondary market, Noteholders will not be able to sell their Notes prior to maturity. The Notes are more suitable for purchasing and holding up to maturity. A Noteholder cannot elect to receive the Principal Amount from HSBC prior to the Maturity Date and the Notes will not be listed on any exchange. However, Noteholders may be able to sell Notes prior to maturity in any available secondary market that develops, but no assurances are given that such a market will develop or that it will be liquid to facilitate disposition. HSBC Securities intends, in normal market conditions, but is under no obligation, to use reasonable efforts to provide a secondary price for the Notes as principal (which price will be determined in the sole discretion of HSBC Securities), and to obtain prices upon which third parties may be prepared to purchase Notes in any available secondary market, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to the Noteholders. Other than any price which HSBC Securities may, but is under no obligation to, obtain or provide, there is no guarantee that third parties will be available in any such secondary market, if one exists. HSBC Securities may, from time to time, purchase and sell Notes but will not be obligated to do so. HSBC Securities will have the right, in its sole discretion, to cease to purchase or sell Notes.

Noteholders who sell their Notes prior to maturity may receive a market price which is less than 100% of the Principal Amount.

The Notes are not designed to be short term trading instruments. Investors should be willing and able to hold any Notes purchased until the Maturity Date. Only the Principal Amount is principal protected and must be paid by HSBC at maturity. However, HSBC does not guarantee the payment at maturity of any premium that may have been paid by a Noteholder having purchased Notes in any secondary market over such Principal Amount. In addition, in the event a secondary market develops, the trading price of a Note at any time will be dependent on, among other things, (i) the volatility of the Exchange Rates (i.e., the frequency and magnitude of changes in the level of the Exchange Rates); (ii) the return of the Exchange Rates relative to the U.S. Dollar since the Issue Date, and (iii); a number of other interrelated factors, including, without limitation, prevailing interest rates, the time remaining to maturity, the creditworthiness of HSBC, market demand for the Notes and intervention by the governments of the related basket Currencies and the U.S. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the market price of a Note. **As such, Noteholders choosing to sell their Notes prior to the Maturity Date will receive a market price which is not necessarily equal to 100% of the Principal Amount and, as a result, you may suffer losses.** In addition, a Noteholder who sells his or her Notes on or prior to the Maturity Date will receive sales proceeds equal to the bid price for the Notes at the relevant time minus the applicable Early Trading Charge.

The inclusion in the original issue price of the Selling Agent's commission, and the cost of hedging HSBC Bank Canada's obligations under the Notes through one or more of its affiliates is likely to adversely affect the value of the Notes prior to maturity.

While the payment at the Maturity Date will be based on the full Principal Amount of the Notes, the original issue price of the Notes includes the Selling Agent's commission and the provision for the expected cost of hedging HSBC's obligations under the Notes through one or more of its affiliates. Such cost includes such affiliates' expected cost of providing such hedge, as well as the profit the affiliates expect to realize in consideration for assuming the risks inherent in providing such hedge. As a result, assuming no change in market conditions or any other relevant factors, the price, if any, at which HSBC Securities will be willing to purchase the Notes from a Noteholder in secondary market transactions, if at all, will likely be lower than the original issue price.

Even though Currencies trade around-the-clock, the Notes will not.

The interbank market in foreign currencies is a global, around-the-clock market. Therefore, the hours of trading for the Notes, if any trading market develops, will not conform to the hours during which the Currencies are traded. Consequently, significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the price of the Notes. Additionally, there is no systematic reporting of last-sale information for foreign currencies which, combined with the limited availability of quotations to individual investors, may make it difficult for many investors to obtain timely and accurate data regarding the state of the underlying foreign exchange markets.

Changes in the Exchange Rate of one or more of the Currencies may offset each other.

Exchange rate movements in the Currencies may not correlate with each other. At a time when one or more of the Currencies strengthens relative to the U.S. Dollar, the exchange rate of one or more of the other Currencies may weaken relative the U.S. Dollar or strengthen to a lesser extent. Therefore, in calculating the Currency Basket performance, the strengthening relative to the U.S. Dollar of one or more of the Currencies may be moderated, or wholly offset, by the weakening or lesser strengthening relative to the U.S. Dollar of one or more of the other Currencies.

Suspension or disruptions of market trading in the Currencies may adversely affect the value of the Notes.

The currency markets are subject to temporary distortions or other disruptions due to various factors, including government regulation and intervention, the lack of liquidity in the markets, and the participation of speculators. These circumstances could adversely affect the exchange rates of the Currencies and, therefore, the value of the Notes.

Currency Risk.

The Notes are denominated in U.S. Dollars and the Principal Amount and Variable Return, if any, payable under the Notes will be in U.S. Dollars. The Canadian dollar equivalent of any return on the Notes will be subject to fluctuations in the CAD$/US$ exchange rate.

Changes in legislation.

There can be no assurance that changes in income tax, securities and other laws will not be amended or changed in a manner that adversely affects Noteholders.

Prescribed Debt Obligations.

In certain circumstances, provisions of the Tax Act can deem interest to accrue annually on a "prescribed debt obligation" (as defined for purposes of the Tax Act). The CRA's published administrative practice is generally that no deemed interest arises under debt obligations the payout under which is linked to performance of equity indices until such time as the amount of such return becomes determinable. In certain private rulings, CRA has applied its administrative practice to linked notes. CRA treats private rulings as binding upon it only in respect of the particular transaction and taxpayers ruled upon. Based upon an understanding of CRA's administrative position with respect to linked notes, while the matter is not free from doubt, there should be no deemed accrual of interest with respect to the Variable Return on the Notes for any taxation year of a Canadian Holder ending before the taxation year in which a minimum amount of Variable Return becomes calculable. CRA is not bound to apply such administrative practice to investors in Notes. HSBC has been advised that CRA is reviewing whether the existence of a secondary market for a "prescribed debt obligation" such as the Notes should be taken into consideration in determining whether interest is deemed to accrue on such obligation. There can be no assurance that the above understanding of CRA's administrative practice will be applied to Noteholders or that such practice will not be subject to adverse change or qualification relevant to the Notes.

Special Circumstances.

The occurrence of certain Special Circumstances may delay the time at which the amount of any return is determined and may allow HSBC the option of crystallizing the amount of return payable and (if positive) paying such amount before maturity. These include events that could have an impact on HSBC's ability to perform its obligations under the Notes or to hedge its position in respect of its obligation to make payments under the Notes. In these circumstances, the amount of return payable under the Notes, if any, will be subject to reduction to reflect the direct or indirect cost of disposing of, terminating, settling, liquidating or otherwise unwinding such arrangements.

Hedging activities may create conflicts of interest.

HSBC or one or more affiliates may hedge its obligations under the Notes by entering into of foreign exchange agreements relating to the Exchange Rates of the Currencies or other derivative instruments with returns linked or related to changes in the performance of the Exchange Rates of the Currencies, and HSBC may adjust these hedges by, among other things, purchasing or selling futures or options or unwinding or disposing of these positions at any time. Although they are not expected to, any of these hedging activities may adversely affect the value of the Exchange Rates of the Currencies and, therefore, the market value of the Notes. It is possible that HSBC or one or more of its affiliates could receive substantial returns from these hedging activities while the market value of the Notes decline.

Business activities may create conflicts of interest between Noteholders and HSBC.

HSBC or one or more of its affiliates may, now or in the future, publish research reports with respect to the Exchange Rates of the Currencies. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Although they are not expected to, any of these activities may affect the Exchange Rates of the Currencies and, therefore, the market value of the Notes.

Conflicts of Interest with the Calculation Agent and HSBC Securities.

Because the Calculation Agent is an affiliate of HSBC, a potential conflict of interest may exist between the Calculation Agent and the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make including, among other things, the calculation of the Currency Returns, the Variable Return (if any), the amount payable to a Noteholder upon the occurrence of a Special Circumstance and the determination of the occurrence of a Market Disruption Event. An independent calculation agent will not be retained to make or confirm the determinations and calculations made by the Calculation Agent. In addition, as a result of its role in the secondary market, HSBC Securities, an affiliate of HSBC, may have economic interests that are adverse to Noteholders.

Specific Currencies' Exchange Rates are volatile and are affected by numerous factors specific to each foreign country.

Exchange rate movements for a particular currency against the U.S. dollar are volatile and are the result of numerous factors specific to that country and the United States including the supply of, and the demand for, those currencies, as well as government policy, intervention or actions, but are also influenced significantly from time to time by political or economic developments, social and political conditions in the United States, Brazil, Russia, India and China, and by macroeconomic factors and speculative actions related to different regions. Changes in exchange rates result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the related countries. Of particular importance to potential currency exchange risk are: (i) rates of inflation; (ii) interest rate levels; (iii) balance of payments; and (iv) the extent of governmental surpluses or deficits in the relevant foreign country and the U.S. All of these factors are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of various countries and the U.S. and other countries important to international trade and finance. The weakening of any of the basket Currencies relative to the U.S. dollar may have a material adverse effect on the value of the Notes and the return on an investment in the Notes.

The Notes are linked to the performance of a basket consisting solely of emerging markets currencies. There is an increased risk of significant adverse fluctuations in the performance of the underlying basket of Currencies as the basket consists entirely of Currencies of less developed and less stable economies without a stabilizing component that could be provided by one of the major currencies. Currencies of emerging economies are often subject to more frequent and larger central bank interventions than the Currencies of developed countries and are also more likely to be affected by drastic changes in monetary or exchange rate policies of the relevant country, which may negatively affect the value of the notes.

Government intervention could materially and adversely affect the value of the Notes.

Foreign exchange rates can be fixed by the sovereign government, allowed to float within a range of exchange rates set by the government, or left to float freely. Governments, including those issuing the basket currencies and the United States, use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. They may also issue a new currency to replace an existing currency, fix the exchange rate or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the Notes is that their trading value and amount payable could be affected by the actions of sovereign governments, fluctuations in response to other market forces and the movement of currencies across borders. In periods of financial turmoil, capital can move quickly out of regions that are perceived to be more vulnerable to the effects of the crisis than others with sudden and severely adverse consequences to the currencies of those regions. In addition, governments around the world, including the United States government and governments of other major world currencies, have recently made, and may be expected to continue to make, very significant interventions in their economies, and sometimes directly in their currencies. Such interventions affect currency exchange rates globally and, in particular, the value of the basket Currencies relative to the U.S. dollar. For example, the Russian Central Bank devalued the ruble several times at the end of 2008 in response to economic and market conditions, primarily significant decreases in the price of oil. Further interventions, other government actions or suspensions of actions, as well as other changes in government economic policy or other financial or economic events affecting the currency markets, may cause currency exchange rates to fluctuate sharply in the future, which could have a material adverse effect on the value of the Notes and your return on your investment in the Notes at maturity.

There are specific risks related to the Chinese renminbi (yuan). The exchange rate of the Chinese renminbi (yuan) is currently managed by the Chinese government. On July 21, 2005, the People's Bank of China, with the authorization of the State Council of the People's Republic of China, announced that the renminbi (yuan) exchange rate would no longer be pegged to the U.S. Dollar and instead would be pegged to a basket of currencies (the "renminbi basket") and allowed to float within a narrow band around the value of the renminbi basket. According to public reports, the governor of the People's Bank of China has stated that the renminbi basket is composed mainly of the U.S. Dollar, the European Union Euro, the Japanese Yen, and the Korean Won. Also considered, but playing smaller roles, are the currencies of Singapore, the United Kingdom, Malaysia, Russia, Australia, Canada and Thailand. The weight of each currency within the renminbi basket has not been announced.

The initial adjustment of the Chinese renminbi (yuan) exchange rate was an approximate 2% revaluation from an exchange rate of 8.28 Yuan per U.S. Dollar to 8.11 Yuan per U.S. Dollar. The People's Bank of China has also announced that the daily trading rate of the U.S. Dollar against the renminbi (yuan) in the inter-bank foreign exchange market will continue to be allowed to float within a band of 0.3 percent around the central parity published by the People's Bank of China, while the trading rates of the non-U.S. Dollar currencies against the renminbi (yuan) will be allowed to move within a certain band announced by the People's Bank of China. The People's Bank of China will announce the closing rate of a foreign currency such as the U.S. Dollar traded against the renminbi (yuan) in the inter-bank foreign exchange market after the closing of the market on each working day, and will make it the central parity for the trading against the renminbi (yuan) on the following working day. The People's Bank of China has stated that it will make adjustments of the renminbi (yuan) exchange rate band when necessary according to market developments as well as the economic and financial situation.

Despite the recent change in their exchange rate regime, the Chinese government continues to manage the valuation of the Chinese renminbi (yuan), and, as currently managed, its rate movements are unlikely to contribute significantly to either an increase or decrease in the value of the basket. However, further changes in the Chinese government's management of the renminbi (yuan) could result in a significant movement in the U.S. Dollar/Chinese renminbi (yuan) exchange rate. Assuming the values of all other basket currencies remain constant, a decrease in the value of the renminbi (yuan), whether because of a change in the government's management of the currency or for other reasons, would result in a decrease in the value of the basket.

Monetary policies and interventions by the monetary authorities of the countries of the Currencies may work to limit the potential for the strengthening of the Currencies relative to the U.S. dollar.

To the extent that the monetary authority of a Currency intervenes officially or unofficially to *de facto* peg the Currency to the U.S. dollar or keep the Currency within a certain range of the U.S. dollar, the potential for that Currency to strengthen relative to the U.S. dollar may be adversely affected, which may adversely impact the Variable Return that may be paid at maturity and the value of the Deposit Notes. As indicated above, the Central Bank of Brazil has recently intervened heavily in the currency markets to buy U.S. dollars to preserve stability of the USD/BRL exchange rate by slowing the advance of the Brazilian real on the U.S. dollar, the Central Bank of Russia manages the float of the ruble relative to the U.S. dollar, the Federal Reserve of India trades actively in the USD/INR exchange rate to limit volatility of such exchange rate and the People's Bank pegs the yuan to a currency basket which includes the U.S. dollar. These policies may limit the potential for the strengthening of such Currencies relative to the U.S. dollar and the potential Variable Return payable on the Notes.

NOTEHOLDERS' RIGHT OF CANCELLATION

A subscriber may cancel an order to purchase a Note (or cancel the purchase of a Note if the Note has been issued) by providing instructions to HSBC or the Agent through his or her investment advisor any time up to two days after the later of (i) the day on which the agreement to purchase the Note is entered into and (ii) deemed receipt of this Information Statement.

The agreement to purchase the Notes will be entered into (i) if the order to purchase is received via telephone or electronic means, on the day on which the order to purchase is received, and (ii) if the order to purchase is received in person, on the later of the second day following (a) the day of deemed receipt of this Information Statement and (b) the day on which the order to purchase is received.

A subscriber will be deemed to have received the Information Statement (i) on the day recorded as the time of sending by the server or other electronic means, if provided by electronic means; (ii) on the day recorded as the time of sending by fax machine, if provided by fax; (iii) five business days after the postmark date, if provided by mail, and (iv) when it is received, in any other case.

Upon cancellation, the investor is entitled to a refund of the Principal Amount and any fees relating to the purchase that have been paid by the investor. This right of cancellation does not extend to Noteholders buying a Note in the secondary market.

OTHER MATTERS

Anti-Money Laundering

If the Bank has a suspicion that a payment (by way of a subscription or otherwise) contains the proceeds of criminal conduct, or knows or suspects that another person is engaged in money laundering, the Bank may report such suspicion to the appropriate authorities. The Bank and any agent of the Bank will not incur any liability for adhering to the Bank's responsibilities under its anti-money laundering program, and will be indemnified by the subscriber for any losses which the Bank or its principals or agents may incur for doing so. If the Bank determines that any Noteholder is a prohibited Noteholder under applicable money laundering legislation, the Bank may, among other things, freeze that Noteholder's Notes and notify appropriate legal authorities.

Acknowledgment Upon Subscription

Upon subscription for Notes offered pursuant to this Information Statement, a proposed Noteholder represents, warrants and acknowledges and will be deemed to have represented, warranted and acknowledged to the Bank that (i) the Noteholder has received and reviewed a copy of the Information Statement and the Noteholder has had an opportunity to ask and have answered any and all questions which it wished to ask or have answered with respect to the Notes by its investment, legal or tax advisors; (ii) the Notes are not securities and this is not a public offering of securities governed by the securities laws of any jurisdiction of Canada and therefore Noteholders have no rights under such securities laws; (iii) the Noteholder is capable of assessing the merits and risks of its proposed investment in the Notes as a result of the Noteholder's financial or investment experience, knowledge and sophistication or as a result of advice received from a registered broker, dealer or other registered professional investment adviser and is able to bear the economic loss of its investment; (iv) the Noteholder has not relied on any information other than the Information Statement and Oral Disclosure form in making its investment decision; and (v) the Noteholder acknowledges that the Notes are not deposits insured under the *Canada Deposit Insurance Corporation Act.*

Notification

HSBC or the Agent will take reasonable steps to effect such notice directly to Noteholders (or indirectly through dealers and financial advisors who sold the Notes in certain cases) to the extent required by applicable regulations. All notices to HSBC regarding the Notes will be valid and effective if such notices are mailed or otherwise delivered to:

Senior Vice President
HSBC Derivative Products Group
70 York Street, 8th Floor
Toronto, ON
M5J 1S9

Fax: (416) 868-3088

with a mandatory copy to:

Associate General Counsel
HSBC Derivative Products Group
70 York Street, 8th Floor
Toronto, ON
M5J 1S9

DEFINITIONS

In addition to those terms defined elsewhere in this Information Statement, the following terms have the following meanings, unless the context otherwise requires:

"**Book-Entry System**" means the record entry securities transfer and pledge system established and governed by one or more agreements between CDS and CDS Participants pursuant to which the operating rules and procedures for such system are established and administered by CDS for, among other things, the settlement of securities transactions under such system.

"**Business Day**" means any day, other than a Saturday or a Sunday or a day on which commercial banks in New York and Toronto are required or authorized by law to remain closed.

"**Currencies**" means the Brazilian real, the Russian ruble, the Indian rupee and the Chinese yuan and **"Currency"** means any one of such currencies.

"**Currency Basket Return**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**Currency Return**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**Currency Set Date**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**DBRS**" means Dominion Bond Rating Service Limited.

"**Early Trading Charge**" has the meaning ascribed thereto under "*Description of the Notes- Secondary Trading of Notes*".

"**Exchange Rate**" has the meaning ascribed thereto under "*Description of the Notes*".

"**Final Exchange Rate**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**HSBC**" means HSBC Bank Canada.

"**HSBC Group**" means HSBC Holdings plc together with its direct and indirect subsidiaries including HSBC Bank Canada.

"**HSBC Securities**" means HSBC Securities (Canada) Inc.

"**Initial Exchange Rate**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**Market Disruption Event**" has the meaning ascribed thereto under "*Calculation Agent- Market Disruption Even*t".

"**Maturity Redemption Amount**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**Noteholder**" means a beneficial owner of a Note.

"**S&P**" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.

"Selling Agents" means HSBC Securities and any other broker or dealer permitted by HSBC to act as a selling agent.

"**Special Circumstance**" means:

(c) a case where, in the opinion of the Bank acting reasonably and in good faith, an amendment or a change is made to an act or regulation; to taxation practices, policies or administration; to the interpretation of an act or regulation or taxation practice, policy or administration; or an event occurs, now or in the future, caused by circumstances beyond the control of the Bank making it illegal or disadvantageous, from a legislative or regulatory point-of-view, or disadvantageous, from a financial point-of-view, for the Bank to allow its Notes to remain outstanding; or

(d) as a result of any change in law affecting the Bank or its affiliates or the issuance of any judgment, order, ruling, decree, administrative guideline or policy of or by any court or governmental authority or administrative body or tribunal of competent jurisdiction having or claiming jurisdiction over the Bank or its affiliates, which, as determined by the Bank in its sole discretion, prohibits or renders unlawful the performance of the Bank's obligations under the Notes.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Valuation Date**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**Weighted Currency Return"** has the meaning ascribed thereto under "*Summary of the Offering*".

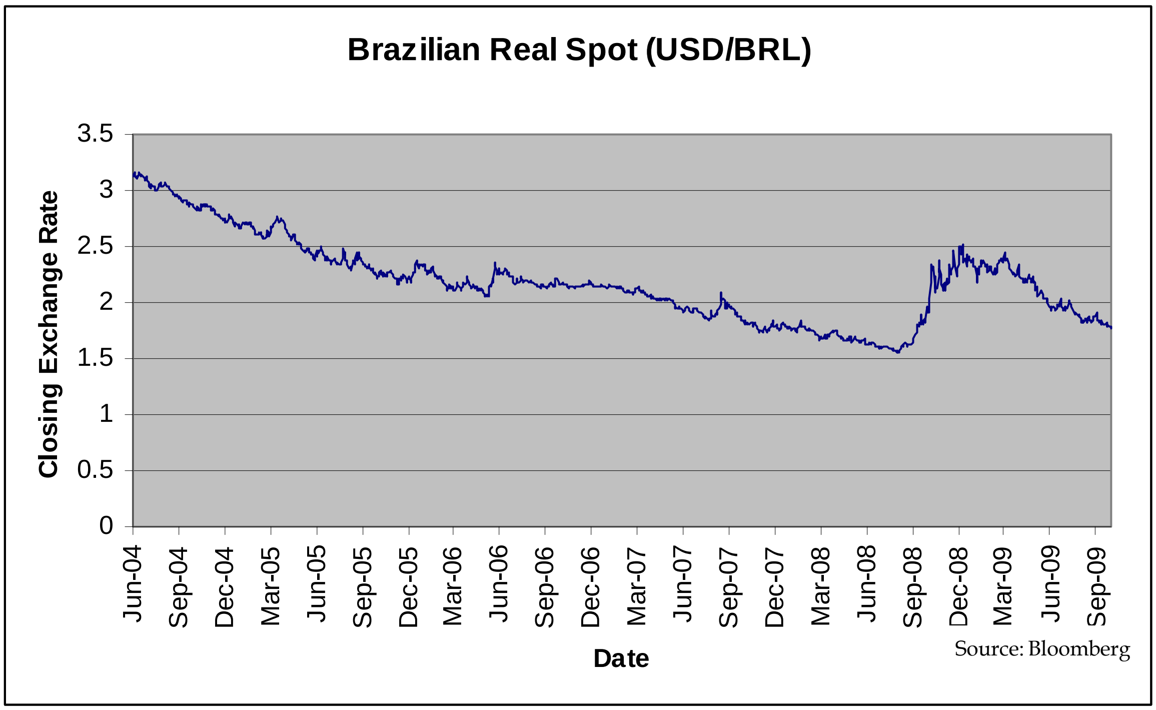
ANNEX A

The following information is derived from publicly available sources and is presented in summary form. As such, neither HSBC nor any of their respective affiliates assumes any responsibility for the accuracy or completeness of such information.

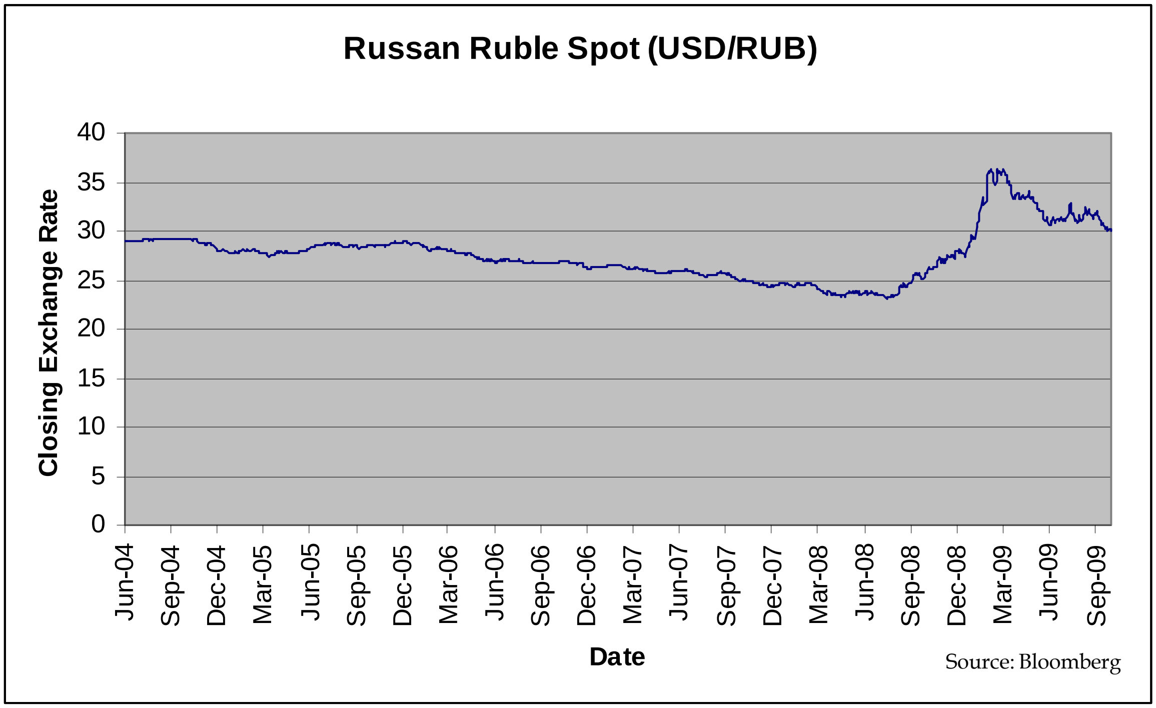
Historical information

The following charts illustrate the historical performance of each Currency relative to the U.S. Dollar from the period beginning in June 2004 and ending in September 2009. This information is taken or derived solely from publicly available information and neither the Bank, the Selling Agents nor any of their respective affiliates make any assurances, representations or warranties as to the accuracy, reliability or completeness of such information. All data is sourced from Bloomberg. See "*Risk Factors*" for additional information on the risk factors associated with the Currencies.

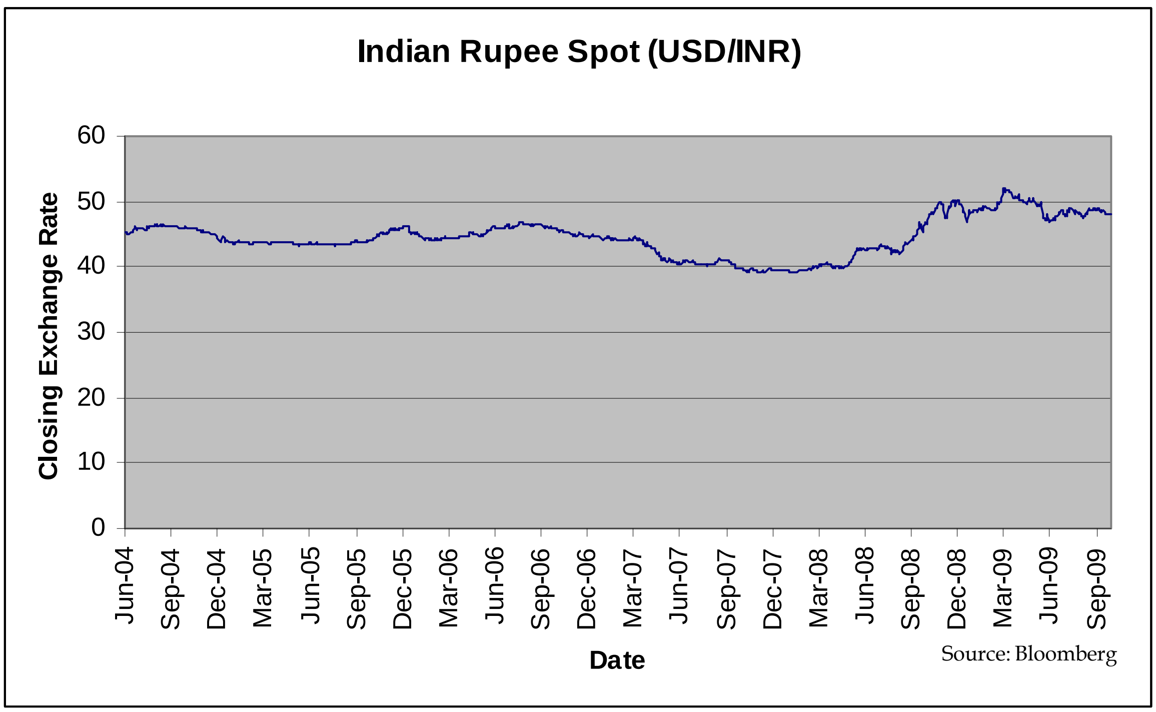
Brazilian Real:



Russian Ruble:



Indian Rupee:



Chinese Yuan: