INFORMATION STATEMENT

DATED November 15, 2007

HSBC BANK CANADA
INVESTABLE CLIMATE CHANGE INDEX-LINKED
DEPOSIT NOTES, SERIES 1

DUE JUNE 17, 2014

PRICE: $1,000 per Note

MINIMUM SUBSCRIPTION: $5,000

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 that is determinable prior to maturity. 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 an underlying asset(s). Depending on the performance of the underlying asset(s), a Noteholder's return on the Notes could be zero. ***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 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 "****$****" are to Canadian 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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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 Investable Climate Change Index-Linked Deposit Notes, Series 1 (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 change in the value (positive or negative) of the Index (as described below under "*Index*"). The change in value of the Index will be measured from its closing level on the Index Set Date to the arithmetic average of the closing levels of the Index on specified preset quarterly Observation Dates. The average performance of the Index (positive or negative) will then be used to determine the Variable Return, if any. **If the Variable Return is zero or less than zero, then the Notes will not pay a Variable Return.** The actual calculation of Variable Return is described below under "*Description of the Notes – Variable Return*".

The Variable Return will not exactly track the performance of the underlying Index since the Variable Return is derived from the change, if any, of the Index from its closing level on the Index Set Date to the arithmetic average of the closing levels of the Index on specified preset quarterly Observation Dates. The Variable Return may be substantially less than the difference between the closing levels of the Index on the Maturity Date and the Initial Index Level.

Index: The Variable Return, if any, payable under the Notes is linked to the performance (positive or negative) of the HSBC Investable Climate Change Index (Index Ticker: HSCCII –Bloomberg) (the "**Index**").

The HSBC Investable Climate Change Index is an innovative new benchmark index designed to track and reflect stock market performance of companies involved in providing solutions to the challenges of global climate change. The constituent companies that comprise the Index generate more than 50% of revenues from climate change-related businesses and are diversified across four main sectors which include: i) low carbon energy production; ii) energy efficiency and energy management; iii) water, waste & pollution control; and iv) financials. See "*Annex*" for more information. The Index is calculated by the Index Sponsor, HSBC Bank plc, which is an affiliate of HSBC Bank Canada.

Reference herein to the Index will be deemed to include any Successor Index unless the context requires otherwise. See "*The Index – Discontinuance or Modification of the Index; Corrections to Index*". The Index is described in more detail below under "*The Index*".

Principal Amount: The price for each Note is $1,000 (the "**Principal Amount**") with a minimum subscription of $5,000 in Notes per holder (each a "**Noteholder**").

Issue Date: The Notes will be issued on or about December 17, 2007.

Closing Date: On or about December 11, 2007.

Issue Size: Up to $30,000,000. HSBC may increase or decrease the size of the offering at its sole discretion.

Maturity Date/Term: The Notes will mature on June 17, 2014 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 six and one half (6.5) years (the "**Term**").

Amounts payable at Maturity:	On the Maturity Date, repayment of the full Principal Amount of $1,000 per Note will be payable to the Noteholder regardless of the performance of the Index, plus the Variable Return, if any (together, the "**Maturity Redemption Amount**").
Initial Index Level:	Closing level of the Index on the Index Set Date, subject to adjustment in the case of an ongoing Market Disruption Event. See "*Description of the Notes – Market Disruption Event*".
Index Set Date:	On or about December 12, 2007.

Variable Return:

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

Principal Amount x Index Average Return

Where:

"Index Average Return" will be an amount (which may be positive or negative) expressed as a percentage and calculated as the Final Average Index Level *minus* the Initial Index Level, *divided* by the Initial Index Level. The Index Average Return is calculated according to the following formula:

$$\frac{\text{(Final Average Index Level- Initial Index Level)}}{\text{Initial Index Level}}$$

'**Final Average Index Level**" is the amount calculated as the arithmetic average of the quarterly closing levels of the Index on the preset quarterly Observation Dates.

The Index Average Return and the Final Average Index Level will not, however, reflect any interest, dividends, distributions or other payments on the securities underlying the Index.

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

The Variable Return will not exactly track the Index since the Variable Return is based on the percentage difference, if any, between the arithmetic average of the Index closing levels for the Index observed on preset quarterly Observation Dates and the Initial Index Level. The Variable Return may be substantially less than the difference between the Index closing level on the Maturity Date and the Initial Index Level for the Index. See "*Description of the Notes – Variable Return*".

Observation Dates:	The 12th of March, June, September, and December for each calendar year prior to the Maturity Date. The first Observation Date being 12th of March 2008 and the last Observation Date being 12th of June 2014. If an Observation Date is not a Scheduled Trading Day, the closing level from the next following Scheduled Trading Day will be used with respect to such Observation Date. If a Market Disruption Event exists with respect to the Index on an Observation Date, then the Observation Date for the Index will be the next immediately Scheduled Trading Day for the Index on which the Market Disruption Event did not exist with respect to the Index or on the Adjusted Observation Date.
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 4% 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.
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 make 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:

Year	1	2	3	4	5	6 or greater
Charge	4%	3%	2%	0%	0%	0%

If you sell a Note within the first three (3) years from the Issue Date, the proceeds from the sale of the Note will be reduced by an Early Trading Charge as indicated in the table above. After the end of the 3rd year 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 level of the Index 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 USA, National Association. 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 Index**. 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: The Notes are RRSP, RRIF, RESP and DPSP eligible. See "*Eligibility for Investment*".

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. Subject to the limitations outlined under "*Canadian Federal Income Tax Considerations*", an amount received by a Noteholder on a disposition or a deemed disposition of a Note (other than a payment by HSBC) should give rise to a capital gain (or capital loss) to such Noteholder at such time to the extent that 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. A Noteholder should consult with his or her own tax advisor with respect to his or her individual tax position. See "*Canadian Federal Income Tax Considerations*".

Market Disruption:

If a Market Disruption Event occurs on any Observation Date, then the relevant Observation Date shall be the next following Scheduled Trading Day during which no Market Disruption Event shall exist; provided, however, that if a Market Disruption Event has occurred on each of the five Scheduled Trading Days immediately following such Observation Date, then the relevant Observation Date shall be the fifth Scheduled Trading Day following such original Observation Date, notwithstanding the occurrence of a Market Disruption Event on such day (an "**Adjusted Observation Date**"). With respect to any such Adjusted Observation Date on which a Market Disruption Event occurs, the Calculation Agent will determine the value of the Index on such Adjusted Observation Date in accordance with the formula for and method of calculating the Index last in effect prior to the commencement of the Market Disruption Event, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) on such Scheduled Trading Day of each security most recently comprising the Index.

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 volatility or degree to which the level of the Index changes;
- Notes will not constitute insured deposits;
- Principal Amount is protected only if Notes are held to maturity;
- 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;
- You have no recourse to the Index Sponsor or any issuer of an instrument comprising the Index;
- Price or other movements in the instrument or instruments comprising the Index are unpredictable;
- The historical or pro forma performance of the Index is limited and not an indication of future performance; and
- Special Circumstances.

FREQUENTLY ASKED QUESTIONS

What is a "principal protected deposit note"?

Generally, a "principal protected deposit note" or "**PPN**" is an investment product that consists of: (1) a deposit that guarantees the Noteholder will receive on maturity not less than 100% of the principal amount invested; and (2) an investment opportunity that offers the Noteholder potential returns based on the performance of an underlying investment that is often linked to the performance of an equity, equity index, commodity index, currency, mutual fund or hedge fund.

The Notes available under this Information Statement do not provide for a minimum guaranteed return (except for payment of the full Principal Amount at the Maturity Date).

What are the investment objectives of the Notes?

The primary objectives of the Notes are to provide the Noteholder with principal protection, if held to maturity, while simultaneously providing a potential return that is linked to the performance of the Index. The individual performance of the Index (positive or negative) is measured from its closing level on the Index Set Date to the arithmetic average of the closing levels of such Index on specified preset quarterly Observation Dates.

Who should invest in PPN?

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) want exposure to an investment that is linked to the performance of an index representing companies engaged in climate change-related businesses (4) want to decrease the effect of both negative and positive changes in the level of the Index through the averaging of returns; and (5) are investing for the longer term and believe that companies forming the Index are poised to profit from the challenges of climate change.

Am I entitled to CDIC protection on these investments?

No. The Notes do not constitute deposits that are insured under the *Canada Deposit Insurance Corporation Act* (Canada).

How are returns under the Notes linked to the performance of the Index?

The Variable Return on the Notes, if any, will be calculated based on the percentage difference between the arithmetic average of the closing levels of the Index on the specified pre-selected quarterly Observation Dates (Final Average Index Level) and the Initial Index Level. **If the Variable Return is zero or less than zero, then the Notes will not pay a Variable Return.** You should recognize that it is impossible to know whether the level of the underlying Index will rise or fall. You should familiarize yourself with the basic features of the Index and the method of calculating Index Average Return and Final Average Index Level.

What effect does use of averaging of the Index have on the determination of the return on the Notes?

The quarterly averaging minimizes exposure to extreme negative and positive movements in the Index. As a result, the Variable Return may not exactly track the underlying Index since the return is based on the percentage difference, if any, between the arithmetic average of the Index closing levels observed on preset quarterly Observation Dates, and the Initial Index Level. The Variable Return may be substantially less than the difference between the Index closing level on the Maturity Date and the Initial Index Level.

At maturity, is it possible that the amount payable under the Notes at maturity would be less than the Principal Amount of $1,000?

No. The full Principal Amount is assured at maturity in the same manner as the Bank's other outstanding unsecured, unsubordinated obligations regardless of the performance of the Index.

What if I need my money back early?

There is currently no established trading market for the Notes. 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, **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 make 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.

The Notes are generally not suitable for an investor who requires liquidity prior to maturity. If there is no secondary market, Noteholders will not be able to sell their Notes prior to maturity. For further information on the resale of Notes prior to maturity, see "*Description of the Notes – Secondary Trading of the Notes*".

If I decide to sell my Notes, could I get less than the Principal Amount of $1,000?

Yes. Prior to maturity, the Notes could trade above or below the $1,000 Principal Amount per Note in the secondary market if such market is established. The price of the Notes in any secondary market which may develop will be set by such market and any sale of Notes prior to maturity may also be subject to an Early Trading Charge. See "*Description of the Notes – Secondary Trading of the Notes*".

What factors may affect the trading value of my Notes in any secondary market?

The value of the Notes in a secondary market that may develop, if any, will be affected by a number of complex and inter-related factors. The effect of any one factor may be offset or magnified by the effect of another factor. The following list, although not exhaustive, describes some of the factors that may impact the trading value of the Notes:

- how much the value of the Index has risen or fallen on an Observation Date since the Index Set Date;
- the fact that the amount of protected principal at maturity is limited to the Principal Amount and that any premium paid for the Notes on any secondary market which may develop is not protected by HSBC;
- The market value of the Notes in any secondary market may not have a direct relationship to movements in the levels of the Index;
- The volatility or degree to which the level of the Index changes;
- Lack of liquidity or lack of market demand for the Notes; and
- Price or other movements in the instrument or instruments comprising the Index are unpredictable.

The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading price of a Note in any secondary market that may develop. For a more detailed description of various risk factors affecting the Notes, see "*Risk Factors* ".

Will I have the right to vote or deal with securities that comprise the Index as a result of owning Notes?

No. The Notes will not entitle a Noteholder to any interest in such securities and a Noteholder will not be entitled to the rights and benefits of a shareholder, including the right to receive dividends and vote at or attend meetings of shareholders.

How is investing in Notes referencing the Index different from direct investments in securities of issuers which underlie such Index?

An investment in the Notes is different from owning the securities that comprise the underlying Index. The Notes represent a form of indirect investment and as a result Noteholders are not able to divest or concentrate their investment in any of the companies that comprise the underlying Index. Unlike direct investments in the securities of specific issuers, the Noteholder does not have any direct relationship to the specific issuer of securities underlying the Index, and will not have any recourse to such issuers to satisfy the amounts due under the Note. In addition, the Note will not entitle Noteholders to receive, and the Variable Return (if any) will not be adjusted to reflect, any ordinary dividends paid on the shares of the underlying companies in the Index. In addition, any changes in the way an Index is administered may adversely affect the Noteholder.

Are there any special considerations regarding the Index of which I need to be aware?

For a summary of information concerning the underlying Index, see "*The Index*" below.

What factors will determine the levels of the underlying Index?

The trading price of each of the component stocks of the underlying Index will determine its level. Noteholders should recognize that it is impossible to know whether the level of the underlying Index will rise or fall and what the level of the Index will be on a specific Observation Date. Trading prices of the stocks comprising the Index will be influenced by the complex and interrelated political, economic, financial and other factors that can affect the capital markets generally or the equity trading markets on which the stocks are trading and by the various circumstances that can influence the values of the securities in specific market segments or in particular stocks.

What is a Redemption Under Special Circumstances?

A Special Circumstance is an event that could have an impact on our ability to perform our obligations under the Notes or to hedge our position in respect of our obligation to make payments under the Notes. A Special Circumstance could include, among other things: any court or governmental order prohibiting us from performing our obligations under the Notes, any governmental action which has a material adverse effect on relevant financial markets, or hostilities (international political or natural) which have a material adverse effect on the Bank's ability to perform its obligations under the Notes or prevents us from executing or maintaining hedges. A Special Circumstance will permit the Bank to redeem the Notes. The Calculation Agent's calculations and determinations in respect of the redemption amount of the Notes will, absent manifest error, be final and binding on Noteholders. In all cases the $1,000 Principal Amount per Note is expected to still be payable only at maturity. See "*Calculation Agent –Redemption Under Special Circumstances*".

What about tax?

A Noteholder should consult with his or her own tax advisor with respect to his or her individual tax position. General Canadian federal tax issues relevant to an initial purchaser who is a resident of Canada are summarized under "*Canadian Federal Income Tax Considerations*". The Notes are RRSP, RRIF, RESP and DPSP eligible. See "*Eligibility for Investment*".

This Information Statement is not intended to provide, nor should it be relied upon as, tax advice to any particular Noteholder. In addition, no information on the effect of provincial, territorial and foreign tax laws is provided in this Information Statement.

How will I receive notice of significant events affecting Notes?

If notice is required to be given to Noteholders, HSBC will take reasonable steps to effect such notice through CDS to those dealers and financial advisors representing clients who hold Notes. Noteholders will only have access to such information through dealers and financial advisors through which their Notes are held. We will have no obligation to notify Noteholders, dealers or financial advisors in any other manner and will have no responsibility to confirm whether or not a dealer or financial advisor provides such notice to Noteholders.

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 170 offices and total assets of approximately Cdn$61.2 billion as at June 30, 2007. 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 an international network of over 10,000 properties in 83 countries and territories and assets of US$2,150 billion on a consolidated basis as at June 30, 2007. 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.

Issue

The Notes will be issued by HSBC on the Issue Date.

Maturity and Repayment of Principal

Each Note matures on the Maturity Date, on which date the Principal Amount (i.e. $1,000 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

The Noteholders will be paid a Variable Return, if any, for each Note in Canadian dollars on the Maturity Date (subject to the provisions of Market Disruption and Special Circumstances set out below) in an amount equal to the result obtained using the following formula:

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

Principal Amount x Index Average Return

Where:

"Index Average Return" will be an amount (which may be positive or negative) expressed as a percentage and calculated as the Final Average Index Level *minus* the Initial Index Level, *divided* by the Initial Index Level. The Index Average Return is calculated according to the following formula:

$$\frac{\text{(Final Average Index Level- Initial Index Level)}}{\text{Initial Index Level}}$$

'**Final Average Index Level**" is the amount calculated as the arithmetic average of the quarterly closing levels of the Index on the preset quarterly Observation Dates.

The Index Average Return and the Final Average Index Level will not, however, reflect any interest, dividends, distributions or other payments on the securities underlying the Index.

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

The Variable Return will not exactly track the Index since the Variable Return is based on the percentage difference, if any, between the arithmetic average of the Index closing levels for the Index observed on preset quarterly Observation Dates and the Initial Index Level. The Variable Return may be substantially less than the difference between the Index closing level on the Maturity Date and the Initial Index Level for the Index.

Observation Dates are the 12th of March, June, September, and December for each calendar year prior to the Maturity Date. The first Observation Date being 12th of March 2008 and the last Observation Date being 12th of June 2014. If an Observation Date is not a Scheduled Trading Day, the closing level from the next following Scheduled Trading Day will be used with respect to such Observation Date. If a Market Disruption Event exists with respect to the Index on an Observation Date, then the Observation Date for the Index will be the next immediately Scheduled Trading Day for the Index on which the Market Disruption Event did not exist with respect to the Index or on the Adjusted Observation Date.

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

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 Index over the Term of the Notes.

Illustration Purposes Only – Not Intended to Predict Actual Results

	HSBC Investable Climate Change Index Level		
Observation Date	**Up Scenario #1**	**Down Scenario #2**	**Up/Down Scenario #3**
Initial Index Level	247	247	247
1st Observation	258	228	258
2nd Observation	262	212	262
3rd Observation	298	198	298
4th Observation	279	169	279
5th Observation	285	205	285
6th Observation	330	230	330
7th Observation	312	222	312
8th Observation	364	264	364
9th Observation	376	276	376
10th Observation	390	301	390
11th Observation	401	293	403
12th Observation	377	312	387
13th Observation	395	298	345
14th Observation	400	295	301
15th Observation	404	260	260
16th Observation	385	252	252
17th Observation	423	240	271
18th Observation	359	249	269
19th Observation	447	252	252
20th Observation	425	261	261
21st Observation	466	222	222
22nd Observation	441	218	218
23rd Observation	452	193	193
24th Observation	471	184	184
25th Observation	492	180	181
26th Observation	502	176	179
Principal Amount	$10,000	$10,000	$10,000
Final Average Index Level	384.3	238.1	282.0
Index Average Return (Final Average Index Level - Initial Index Level)/Initial Index Level	55.54%	-3.65%	14.11%
Variable Return = Principal Amount * Index Average Return	5553.96	-365.16	1411.29
Maturity Redemption Amount = Principal Amount + Max(Variable Return,0)	**$15,553.96**	**$10,000.00**	**$11,411.29**

Where:

"Final Average Index Level" is the amount calculated as the arithmetic average of the quarterly closing levels of the Index on the preset quarterly Observation Dates.

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

Upward Trend Scenario Example #1

In this scenario, the note would return the Principal Amount of $10,000, plus a Variable Return of $5553.96, or an equivalent annually compounded return of 7.0321% per annum.

Downward Trend Scenario Example #2

In this scenario, the Index Average Return is negative. As a result, since the Variable Return is less than zero, the note will not pay a Variable Return. Therefore, the note would return only the Principal Amount of $10,000.

Upward/Downward Trend Scenario Example #3

In this scenario, the increase in the Index is partially offset by a decline in the Index in the later part of the term. The Variable Return however is still positive due to averaging. The note returns at maturity the Principal Amount of $10,000, plus a Variable Return of $1411.29, or an equivalent annually compounded return of 2.0518% per annum.

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 make 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 level of the Index to the date of such sale, and as a result, you 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) years 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:

Year	1	2	3	4	5	6 or greater
Charge	4%	3%	2%	0%	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 three (3) years 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 The Canadian Depository for Securities Limited ("**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 issued 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.

Credit Rating of 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 Index**. A rating is not a recommendation to buy, sell or hold investments, and may be subject to revision or withdrawal at any time by the relevant rating agency.**

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 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.**

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.

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.

Fees and Expenses

The Selling Agents will receive from HSBC a fee up to 4% 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. See "*Plan of Distribution*".

Valuations

The Calculation Agent shall provide the Bank, by 3:00 p.m. on the first Business Day following the end of each week, the amounts expected to be payable under the Notes (the "**Note Value**") as determined by the Calculation Agent in its sole discretion using the best available information and based upon current market conditions. The amount payable under the Notes will be used for both general valuation purposes and for determining payments upon the occurrence of a Redemption under Special Circumstances (and will not reflect any Early Trading Charge).

Such Note Value may be based on estimates which may contain inaccuracies. Any over estimation or under estimation of the Note Value will accrue to the benefit or detriment of the remaining Noteholders.

The Calculation Agent may update previously determined valuations from time to time upon receipt of updated or revised information or for any other reason it deems relevant. Accordingly, the Note Value may be subsequently revised to reflect any such revision. Under no circumstances will the Calculation Agent be required, or have any obligation, to revise any previous calculation. **Moreover, under no circumstances will any adjustments made to a previous valuation affect any amounts previously paid to the Noteholders.**

CALCULATION AGENT

The Bank has appointed HSBC Bank USA, National Association, an affiliate of the Bank, as Calculation Agent with regard to the Notes. The Calculation Agent will provide the Noteholders with monthly valuations of the Notes. The Calculation Agent will be solely responsible for (i) the calculation of 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*"; and (iii) determining whether a Market Disruption Event exists. 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 – Conflicts of Interest*". The Calculation Agent is obligated to carry out its duties and functions in good faith and using its reasonable judgment.

Redemption Under Special Circumstances

With respect to the Notes, the Calculation Agent will makes its calculations and determinations in good faith using commercially reasonable procedures, provided however, that absent manifest error, all of the Calculation Agent's calculations and determinations will be final and binding on the Noteholders without any liability on the part of the Bank and the Calculation Agent. In the event of a Special Circumstance, 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 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 Maturity Date will be accelerated to 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) 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 Maturity Date will not be modified 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 at such date. Payment of any amount thereunder will be made on the fifth (5) Business Day following such date.

Market Disruption Event

If a Market Disruption Event occurs on any Observation Date, then the relevant Observation Date shall be the immediately following Scheduled Trading Day during which no Market Disruption Event shall exist; provided, however, that if a Market Disruption Event has occurred on each of the five Scheduled Trading Days immediately following such Observation Date, then the relevant Observation Date shall be the fifth Scheduled Trading Day following such original Observation Date, notwithstanding the occurrence of a Market Disruption Event on such day (an "**Adjusted Observation Date**"). With respect to any such Adjusted Observation Date on which a Market Disruption Event occurs, the Calculation Agent will determine the value of the Index on such Adjusted Observation Date in accordance with the formula for and method of calculating the Index last in effect prior to the commencement of the Market Disruption Event, using the closing price (or, if trading in the relevant securities has been materially suspended or materially limited, its good faith estimate of the closing price that would have prevailed but for such suspension or limitation) on such Scheduled Trading Day of each security most recently comprising the Index.

PLAN OF DISTRIBUTION

The Notes are being offered by the Bank. The closing will take place on the Issue Date.

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 4% 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.

There is currently no market through which the Notes may be sold. If there is no secondary market, Noteholders may not be able to sell their Notes. HSBC does not intend to apply for listing of the Notes on any exchange. HSBC and its affiliates are not under any obligation to facilitate, arrange for or maintain a secondary market, and, although HSBC Securities expects to use commercially reasonable efforts to facilitate and maintain, in normal market conditions, a secondary market for the Notes, any such secondary market, if commenced, may be discontinued or suspended at any time at the sole discretion of the HSBC Securities, without providing prior notice to Noteholders.

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. **In addition, 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 changes to the level of the Index to the date of any such sale. See "*Risk Factors*".**

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.

THE INDEX

A description of the Index appears in Annex A hereto.

DISCONTINUANCE OR MODIFICATION OF THE INDEX

If the Index Sponsor discontinues publication of or otherwise fails to publish the Index on any day on which such Index is scheduled to be published and the Index Sponsor or another entity publishes a successor or substitute index that the Calculation Agent determines, in its sole discretion, to be comparable to the discontinued Index (such index being referred to as a "**Successor Index**"), then such Successor Index will be deemed to be the Index for all purposes relating to the Notes.

Upon any selection by the Calculation Agent of a Successor Index, the Calculation Agent will cause written notice thereof to be furnished to HSBC and to the depositors in respect of the Notes. If a Successor Index is selected by the Calculation Agent, the Successor Index will be used as a substitute for the Index for all purposes, including for purposes of determining whether a Market Disruption Event exists.

If the Index is discontinued or if the Index Sponsor fails to publish the Index and the Calculation Agent determines that no Successor Index is available at such time, then the Calculation Agent will determine the Index level that is to be used for such Scheduled Trading Day using the same general methodology previously used by the Index Sponsor. The Calculation Agent shall continue to make such a determination until the earlier of (i) the final Observation Date or (ii) a determination by the Calculation Agent that the Index or a Successor Index is available. In such case, the Calculation Agent will cause written notice thereof to be furnished to HSBC and to the Noteholders.

If at any time the method of calculating the Index or a Successor Index, or the value thereof, is changed in a material respect, or if the Index or a Successor Index is in any other way modified so that, in the determination of the Calculation Agent, the value of such index does not fairly represent the value of the Index or such Successor Index that would have prevailed had such changes or modifications not been made, then the Calculation Agent will make such calculations and adjustments as may be necessary in order to determine an Index value comparable to the value that would have prevailed had such changes or modifications not been made. If, for example, the method of calculating the Index or a Successor Index is modified so that the value of such index is a fraction of what it would have been if it had not been modified (e.g., due to a split in the index), then the Calculation Agent will adjust such index in order to arrive at a value of the Index or such Successor Index as if it had not been modified (e.g., as if such split had not occurred). In such case, the Calculation Agent will cause written notice thereof to be furnished to HSBC and to the depositors in respect of the Notes.

CORRECTIONS TO INDEX

In the event that any level published by the Index Sponsor and which is utilized for any calculation or determination made in respect of the Notes is subsequently corrected and the correction is published by the Index Sponsor after the original publication, the Calculation Agent will notify the parties of such correction, and determine the amount that is payable or deliverable as a result of that correction, and to the extent necessary, will adjust the terms of this transaction to account for such correction; provided that no adjustment or payment will be made if HSBC has paid the relevant amount to the holder(s) of the Notes based on the initial Index level prior to the related correction.

The Notes are not sponsored, endorsed, sold or promoted by the Index Sponsor and HSBC Bank Plc, as the Index Sponsor, make no representation regarding the advisability of investing in the Notes. References to the Index in the terms and conditions of the Notes does not constitute a representation, express or implied, by the Index Sponsor or HSBC Bank Canada to any Noteholders regarding investing in the Notes or the ability of the Index to track general stock market performance. The Index is determined, composed and calculated by its Index Sponsor without regard to HSBC Bank Canada or the Notes, and the Index Sponsor has no obligation to take the needs of HSBC Bank Canada or any Noteholder into consideration in determining, composing, or calculating the Index. The Index Sponsor is not responsible for and has not participated in the determination of the timing of, prices at, or other features of the Notes, and the Index Sponsor has no obligation or liability in connection with the administration, marketing or trading of the Notes. The Index Sponsor is under no obligation to continue the calculation and dissemination of the Index, and neither the Index Sponsor nor HSBC Bank Canada shall have any responsibility to any Noteholder for the calculation and dissemination of the Index or any errors or omissions therein.

NEITHER HSBC BANK CANADA NOR THE INDEX SPONSOR GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF THE INDEX OR ANY DATA INCLUDED THEREIN, AND NEITHER HSBC NOR THE INDEX SPONSOR SHALL HAVE ANY LIABILITY FOR ANY ERRORS, OMISSIONS OR INTERRUPTIONS THEREIN. THE INDEX SPONSOR AND HSBC DO NOT MAKE ANY WARRANTY, EXPRESS OR IMPLIED, BY HSBC OR THE INDEX SPONSOR AS TO ANY MATTER, INCLUDING THE RESULTS TO BE OBTAINED BY THE HOLDERS OF THE NOTES, OR ANY OTHER PERSON OR ENTITY, FROM THE USE OF THE INDEX OR ANY DATA INCLUDED THEREIN. ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE WITH RESPECT TO THE INDEX OR ANY DATA INCLUDED THEREIN ARE EXPRESSLY DISCLAIMED. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL HSBC OR THE INDEX SPONSOR HAVE ANY LIABILITY FOR ANY SPECIAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

SUITABILITY FOR INVESTMENT

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. Such Noteholders should be able to tolerate a significant degree of volatility, and the possibility that the return on the Notes could be negative if the Noteholder elects to have the Notes redeemed prior to maturity.

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 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 published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). 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.

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. 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.

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 costs of disposition, exceed (or are exceeded by) the Canadian Holder's adjusted cost base of the Note at the time of disposition.

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.

Non-*Resident Withholding Tax*

Any interest paid to non-residents of Canada should not be subject to Canadian non-resident withholding tax. **However, non-resident Noteholders should consult their own tax advisors with respect to their tax positions and the tax consequences of holding the Notes.**

ELIGIBILITY FOR INVESTMENT

The Notes will be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit-sharing plans, other than deferred profit-sharing plans under which contributions are made by HSBC or a person or partnership which does not deal at arm's length with HSBC within the meaning of the Tax Act.

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. You should not purchase the Notes unless you understand and are able to bear all of the various risks associated with the Notes including, among other things, market, liquidity and yield risks.

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 makes 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 be 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 protected 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 Index. If you sell your Notes prior to maturity you may not receive the entire Principal Amount of the Notes.

Industry concentration relating to the Index.

All of the stocks underlying the Index are shares of companies (both domestic and foreign) who derive significant revenues from reducing emissions, reacting to climate change or adapting to the effects of climate change. Please see Annex A attached hereto for more detailed information about the industry sectors and component stocks associated with the Index. As a result, an investment in the Notes will be concentrated in these sectors of the climate change-related industry. Although an investment in the Notes will not give Noteholders any ownership or other direct interests in the stocks underlying the Index, the return on an investment in the Notes will be subject to certain risks similar to those associated with direct equity investments in the global climate change-related industry.

The Index is not necessarily representative of the global climate change-related industry.

While the stocks comprising the Index are stocks of companies who derive a significant portion of their revenues from sectors of the global climate change-related industry, the stocks underlying the Index and the Index may not necessarily follow the price movements of the entire global climate change-related industry generally or of the sectors of such industry that the Index tracks generally. If the stocks underlying the Index decline in value, the Index will decline in value even if common stock prices in the global climate change-related industry and/or the sectors of such industry that the Index tracks generally increase in value.

No 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 make 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.

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) how much the value of the Index has risen or fallen since the Index Set Date, (ii) whether the Index have risen or fallen on any of the Observation Dates, (iii) the frequency and magnitude of changes in the levels of the Index since the Index Set Date, (iv) the fact that the amount of protected principal at maturity is limited to the Principal Amount and that any premium paid for the Notes on the secondary market is not protected by HSBC, and (v) a number of other interrelated factors, including, without limitation, the volatility of the underlying components of the Index, the time remaining to maturity, the creditworthiness of HSBC and market demand for the Notes. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the trading 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 which does not necessarily reflect any increase in the level of the Index to the date of such sale, 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.

Although the Notes are generally more suitable for purchasing and holding to maturity, the Noteholder may wish to consult their investment advisor on whether it would be more appropriate in the circumstances at any time to sell or to hold the Note until maturity.

You have no rights in the Index.

Neither the Noteholders nor any broker/dealer on their behalf will have any ownership or other rights in the Index.

You have no recourse to the Index Sponsor or any issuer of an instrument comprising any of the Index.

Your investment in the Notes will not give you any rights against the Index Sponsor or any issuer of an instrument that is a constituent of the Index. The Notes are not sponsored, endorsed, sold or promoted by the Index Sponsor or any issuer of any instrument or instruments that are constituents of the Index. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of any publicly available information about any of the securities of the companies underlying the Index. You should make your own investigation into the companies underlying the Index.

Noteholders holding to maturity may not receive any Variable Return.

There is no assurance the Notes will pay a Variable Return. Although a Noteholder is entitled to repayment of 100% of the Principal Amount at maturity, there can be no assurance of the receipt of any Variable Return. The Variable Return, if any, is dependent on the performance of the Index. The Index fluctuates and changes in the Index cannot be predicted. Although historical data with respect to the Index is available, this data should not be taken as an indication of future levels or that the Index levels will increase.

The Variable Return will not exactly track the performance of the Index since the Variable Return is based on the change between the arithmetic average of the Index closing levels observed on the preset quarterly Observation Dates and the Initial Index Level. As a result, the Index may increase over the Term of the Notes and may increase on some of the Observation Dates, however, the Noteholders may not be entitled to receive the Variable Return on maturity as one or more Index closing levels on the other Observation Dates (and the average closing levels over all of the Observation Dates) may not exceed the Initial Index Level.

You bear the risk of the non-performance by HSBC.

The Notes are not deposits insured under the Canada Deposit Insurance Corporation Act or any other deposit insurance legislation or regime. You are relying solely on HSBC for payment on the Notes (including the guaranteed Principal Amount and the Variable Return, if any). As a result, you bear the risk of failure of HSBC to pay any amount due on the Notes.

Market value of the Notes may not change in the same manner as changes in the Index.

The market value of the Notes may not have a direct relationship with the Index and may not result in a comparable change in the market value of the Notes.

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

The Notes are not conventional notes or debt instruments 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. Noteholders in the Notes will not have an opportunity to reinvest any income generated by their investment prior to maturity. It is not possible to predict the actual final Variable Return on the Notes until maturity. The Notes are generally more suitable for purchasing and holding up to maturity.

Even considering the payment of 100% of the Principal Amount plus the Variable Return, if any, at maturity, the effective yield to maturity of the Notes may be less than that which would be payable on a conventional fixed-rate or floating-rate debt instrument.

Price or other movements in the instrument or instruments comprising the Index are unpredictable.

Price or other movements in the instrument or instruments comprising the Index are unpredictable and volatile, and are influenced by complex and interrelated political, economic, financial, regulatory, geographic, judicial and other factors that can affect the markets in which the relevant instrument or instruments are traded and/or the particular instrument or instruments. As a result, it is impossible to predict whether the prices or levels of the instrument or instruments comprising the Index will rise or fall during the Term of the Notes. During the Term of the Notes, the price of the instrument or instruments comprising the Index may decrease below the initial level. We cannot guarantee that the price of the instrument or instruments comprising the Index will stay above the initial level over the life of the Notes or that, if the price of the instrument or instruments comprising the Index has decreased to or below the initial level, the price of the instrument or instruments comprising the Index will recover and be at or above the initial level on the Observation Dates.

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.

The historical or pro forma performance of the Index is limited and not an indication of future performance.

The Index was launched on or about September 24, 2007 and, as such, the Index has a limited performance history. Hypothetical returns presented in Annex A hereto represent the reasonable estimate of the price returns which would have been generated in respect of the Index applying the methodology and maintenance criteria disclosed as of the date hereof by the Index Sponsor. The historical or pro forma performance of the Index and the instruments comprising the Index should not be taken as an indication of the future performance. It is impossible to predict whether the level of the Index will fall or rise over the Term of the Notes. The level of the Index will be influenced by the complex and interrelated economic, financial, regulatory, geographic, judicial, political and other factors that can affect the trading markets on which the instrument or instruments comprising the Index are traded and/or the value of the Notes.

Reported Index levels may be based on non-current information.

If trading is interrupted in the instrument or instruments comprising the Index, publicly available information regarding the Index value may be based on the last reported prices or levels. As a result, publicly available information regarding reported Index levels may at times be based on non-current information.

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, may be subject to reduction to reflect the direct or indirect cost of disposing of, terminating, settling, liquidating or otherwise unwinding arrangements to hedge market exposure.

Hedging activities may create conflicts of interest.

HSBC or one or more affiliates may hedge its obligations under the Notes by acquiring futures or options on the Index or shares of any issuer comprising the Index or other derivative instruments with returns linked or related to changes in the performance of the Index, and HSBC may adjust these hedges by, among other things, purchasing or selling shares, 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 level of the Index or any of the instruments comprising the Index 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 Index or any of the instruments comprising the Index. 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. Any of these activities may affect the level of the Index and, therefore, the market value of the Notes.

Conflicts of Interest with the Calculation Agent.

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 observation or determination of the level of the Index on the Observation Dates, the calculation of the Variable Return, including the amount payable to a Noteholder upon the occurrence of a Special Circumstance and the determination of the occurrence of a Market Disruption Event.

Conflicts of Interest with Index Sponsor.

The Index is a propriety index of HSBC Bank plc, the Index Sponsor. HSBC Bank plc is an affiliate of HSBC Bank Canada, and as a result, conflicts of interest may arise from this relationship. The Index is calculated by the Index Sponsor based on methodologies developed by it. The Index Sponsor may, although it does not currently contemplate to, among other things, change the methods or policies relating to the calculation of the Index at any time. You should be aware that if the Index Sponsor changes the methods or policies relating to the Index, it may do so without taking your interest into consideration. Please see the description of the Index included in Annex A attached hereto for more information about the methods and policies relating to the Index. The policies and judgments for which the Index Sponsor is responsible concerning the calculation and maintenance of the Index, including additions, deletions, substitutions and weightings of the component stocks and the manner in which certain changes affecting such component stocks are taken into account may affect the value of the Index and, consequently, the valuation of the Notes as well as the payment we will pay to you at maturity. The inclusion of a component stock in the Index is not an investment recommendation by HSBC or any of its affiliates, including the Index Sponsor, of that security. The Index Sponsor is under no obligation to consider your interests as a holder of the Notes and will not do so. Any actions or judgments by the Index Sponsor could adversely affect the valuation of the Notes and the Maturity Redemption Amount we will pay to you at maturity.

Even though the Index Sponsor is one of our affiliates, we have no ability to control or predict the Index Sponsor's actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the Index. The Index Sponsor is not involved in the offer of the Notes in any way and has no obligation to consider your interest as an owner of the Notes in taking any actions that might affect the valuation of your Notes. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the Index contained herein. You, as an investor in the Notes, should make your own investigation into the Index and the Index Sponsor. We and our affiliates do not guarantee and assume no potential liability for the adequacy or accuracy of the calculation or publication of the Index.

NOTEHOLDERS' RIGHT OF RESCISSION

A subscriber may rescind any order to buy a Note (or its purchase if issued) by notice in writing to HSBC within 48 hours of the earlier of actual receipt and deemed receipt of the Information Statement. Such notice should be directed to: Senior Vice President, HSBC Derivative Products Group, 70 York Street, 8th Floor, Toronto, ON M5J 1S9. Upon rescission, the person is entitled to a refund of the Principal Amount and any fees relating to the purchase that have been paid by the subscriber. This rescission right does not extend to Noteholders buying a Note in any secondary market which may develop. 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 days after the postmark date, if provided by mail, and (iv) when it is received, in any other case.

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.

Recognition of Trusts

The Bank will recognize only the registered beneficial holder of the Notes as set forth in the Record Entry Securities System and will not follow the instructions of any trust with respect to the Notes unless such trust is the registered holder as set forth in the Record Entry Securities System.

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 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

All notices to Noteholders regarding the Notes will be valid and effective (i) if such notices are given (which notice may be given by wire or fax) to CDS and the relevant CDS Participants, or (ii) in the case where the Notes are directly registered in the Noteholders' names and issued in definitive form, if such notices are mailed or otherwise delivered to the registered addresses of the Noteholders.

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

<u>with a mandatory copy to</u>:

Assistant General Counsel
HSBC Bank Canada
Suite 900, 888 Dunsmuir Street
Vancouver, BC
V6C 3K4
Fax: 604 651 2505

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 London, New York, Toronto are required or authorized by law to remain closed.

"**Calculation Agent**" means HSBC Bank USA, National Association.

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

"**Early Closure**" means the closure on any Exchange Business Day of the Relevant Exchange (or in the case of an Index Transaction or Index Basket Transaction, any Relevant Exchange(s) in securities that comprise 20 percent or more of the level of the Index) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange for execution at the valuation time on such Exchange Business Day.

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

"**Exchange Business Day**" means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) with respect to the Index a trading day for each share, futures contract or other financial instrument or measure which is a component of such Index on their related Relevant Exchanges, other than, in either case, a day on which trading on any such exchange is scheduled to close prior to its Scheduled Closing Time.

"**Exchange Disruption**" means any event (other than an early closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the securities that comprise 20 percent or more of the level of the Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the security or the relevant Index on any relevant Related Exchange.

"**Final Average Index Level**" 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.

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

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

"**Index Sponsor**" means HSBC Bank plc.

"**Initial Index Level**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**Market Disruption Event**" means with respect to a security or an Index, the occurrence or existence of (a) a Trading Disruption, (b) an Exchange Disruption, which in either case the Calculation Agent determines is material; or (c) an Early Closure.

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

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

"**Observation Dates**" has the meaning ascribed thereto under "*Summary of the Offering*".

"**Related Exchange**" means, with respect to an Index, the exchanges or quotation systems, if any, on which options or futures contracts on the relevant Index are traded or quoted, and as may be selected from time to time by the Calculation Agent.

"**Relevant Exchange**" means, with respect to an Index, the primary exchanges for which each share is a component of such Index.

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

"**Scheduled Closing Time**" means, in respect of a Relevant Exchange and a Related Exchange and a Scheduled Trading Day, the scheduled closing time of such Relevant Exchange or Related Exchange on such scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means, with respect to an Index, any day on which all of the Relevant Exchanges and Related Exchanges are scheduled to be open for trading for each security then included in the Index.

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

"**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.

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

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the Relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Relevant Exchange or Related Exchange or otherwise (i) on any Relevant Exchange(s) relating to securities that comprise 20 percent or more of the level of the Index, or (ii) in futures or options contracts or futures contracts relating to the Index on any relevant Related Exchange.

ANNEX A

HSBC INVESTABLE CLIMATE CHANGE INDEX

General

The information contained herein is presented in summary form and all disclosures regarding the HSBC Investable Climate Change Index (the "**Index")**, including its make-up, method of calculation and changes in its components, are derived from publicly available information and the Index Sponsor, HSBC Bank plc. We take no responsibility for the accuracy or completeness of any information relating to the Index and the information contained herein is furnished as a matter of information only. The Index level information contained herein is from Bloomberg Financial Markets, and we believe such information to be accurate as of November 12, 2007. In addition, information regarding the Index Sponsor may have been obtained from other sources, including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. The information contained herein does not constitute a recommendation to trade any particular security and neither HSBC nor any of its affiliates makes any representation as to the performance of the Index.

Index Description

The HSBC Investable Climate Change Index is a custom stock index modeled and calculated by HSBC Bank plc, which is an affiliate of and under common control with HSBC Bank Canada. The Index is calculated, published and disseminated daily through numerous data vendors, including Reuters (page HSBC/INDICES1), and on Bloomberg Financial Markets (page HSWW). The Index consists of up to 50 stocks whose issuers are included in the HSBC Global Climate Change Benchmark Index and meet the following criteria:

i) derive more than 50% of reported total revenue from "*climate change related activities*", as defined below,

ii) have a market capitalization which is twice that of the minimum market capitalization threshold of the HSBC Global Climate Change Benchmark Index. As of September 3, 2007, that represents a market capitalization threshold for the HSBC Investable Climate Change Index of $1 billion, and

iii) have a six-month average daily trading volume (presently taken from the primary exchange in each market) of at least 0.5% of such minimum market capitalization threshold.

For the purposes of both the HSBC Global Climate Change Benchmark and the HSBC Investable Climate Change Index (collectively, the "**Indices**"), "*climate change related activities*" included 19 distinct industry sectors as of September 21, 2007: solar; wind; geothermal/hydro; gas; biofuels; nuclear; integrated power; diversified renewable; agrochemicals; carbon trading; investment companies (investment funds or other investment vehicles whose investment strategy states an emphasis on one of the other 18 sectors); fuel efficiency autos (including companies involved in the mining or processing of platinum, which is used in certain technologies which aim to improve fuel efficiency); energy efficient solutions; building insulation; fuel cells; power storage; water; waste and pollution control.

The addition or deletion of one of these sectors will be determined as part of the quarterly revision of the Index. Additions or deletions of sectors may result from a number of criteria, including the increase or decrease in size of a particular climate change related industry due to technological advances or a failure to achieve technological viability, the price of various energy sources, the development of new industries or technologies that purport to be climate change related, and market or industry events such as mergers, consolidation or legal or regulatory changes. The issuer of a stock must state in its financial reports or other public or verified statements that the specified threshold amount of its revenues are derived from one of these sectors in order for it to qualify for inclusion in either of the Indices. These sectors have been grouped into four broader categories of:

- Low Carbon Energy Production,
- Energy Efficiency & Energy Management,
- Water, Waste & Pollution Control, and
- Financials.

The HSBC Global Climate Change Benchmark Index, from which the HSBC Investable Climate Change Index is derived, is drawn from the HSBC Quantitative Techniques Database ("QT"), which contains the listing of all quoted companies, trading globally, with a market capitalization of over $10 million. In order to qualify for the HSBC Global Climate Change Benchmark Index, a stock must (i) derive at least 10% of its annual reported revenues from climate change related activities, (ii) have a minimum market capitalization based on the 95th percentile of securities of QT (which as of September 3, 2007 represented a market capitalization threshold of $500 million), and (iii) have a six-month average daily trading volume of at least 0.02% of its market capitalization.

Prices of the component stocks used to calculate the Indices are the official exchange closing prices or prices accepted as such in the relevant market. In general, all prices are taken from the primary stock exchange in each market. Closing prices are converted into U.S. dollars using the closing exchange rates calculated by Global Treasury Information Services (GTIS) 4:00 p.m. (UK time) rates as provided to HSBC by Interactive Data Corporation.

The HSBC Global Climate Change Benchmark Index and HSBC Investable Climate Change Index were launched on September 24, 2007. On November 12, 2007 the HSBC Global Climate Change Benchmark Index had a value of 239.99 and the HSBC Investable Climate Change Index had a value of 250.33, with an initial value of 100 for each index as of December 31st 2003.

The HSBC Global Climate Change Benchmark Index is weighted by both market capitalization and an “exposure factor.” Because there are a number of large diversified companies whose activities include climate change related activities, an “exposure factor” is assigned to companies included in the HSBC Global Climate Change Benchmark Index based on the percentage of revenues associated with climate change related activities. This exposure factor is assigned based on analysis of publicly available information, an external source specializing in renewable energy, low carbon technology and the carbon markets and other statements by the companies in question. The exposure factors assigned are based on revenues associated with climate change related activities as follows:

Climate Change Exposure Factors	
Revenues Associated with Climate Change	**Exposure factor**
10% <Revenues < 25%	0.25
25%<Revenues < 50%	0.50
Revenues > 50%	1.00

The HSBC Investable Climate Change Index is weighted only by market capitalization and exposure factors are not applied since all component stocks must derive more than 50% of reported total revenue from “climate change related activities.”

The top 10 components of the HSBC Investable Climate Change Index as of September 21, 2007, which represented 55.3% of the index, are as follows:

Stock	**Ticker**	**Country**	**Sub-Sector Description**	**Weightings(%)**
Veolia Environnement	VIE.PA	France	Water	11.2
Impala Platinum	IMPJ.J	South Africa	Fuel Efficiency Autos	7.3
Waste Management	UW.N	USA	Waste	7.2
EDP Energias Port	EDPP.IN	Portugal	Integrated Power	5.9
Anglo Platinum	AMSJ.J	South Africa	Fuel Efficiency Autos	5.0
Cameco	CCO.TO	Canada	Nuclear	4.4
Vestas Wind System	VWS.CO	Denmark	Wind	3.9
Lonmin	LMI.L	UK	Fuel Efficiency Autos	3.7
British Energy	BGY.L	UK	Nuclear	3.7
Renewable Energy	REC.OL	Norway	Solar	2.9

Annual and Quarterly Index Reviews. Each year, the HSBC Global Climate Change Benchmark Index completes an annual index review and three quarterly index reviews of the composition of component stocks in the HSBC Global Climate Change Benchmark Index and any changes to the HSBC Global Climate Change Benchmark Index take effect as of the close of the third Friday in March, June, September, and December.

Because the component stocks of the HSBC Investable Climate Change Index are selected only from the HSBC Global Climate Change Benchmark Index, the HSBC Investable Climate Change Index reflects the relevant changes in the composition of the HSBC Global Climate Change Benchmark Index. A stock removed from the HSBC Global Climate Change Benchmark Index is also removed from the HSBC Investable Climate Change Index on the same day that the stock is removed from the HSBC Global Climate Change Index. Subject to the maximum number of 50 stocks for the HSBC Investable Climate Change Index, if a stock is removed from that index and another stock remains in the HSBC Global Climate Change Benchmark Index which meets the criteria for inclusion in the HSBC Investable Climate Change Index, such other stock would be added to the HSBC Investable Climate Change Index at such time.

Ongoing Event-Related Changes to the Index. In addition to the annual and quarterly index reviews, HSBC Bank plc reviews and updates the composition of the HSBC Global Climate Change Benchmark Index to take into account certain corporate events, such as such as mergers and acquisitions. The same changes implemented in the HSBC Global Climate Change Benchmark Index are reflected in the HSBC Investable Climate Change Index at the time of such event through price adjustments of the affected stocks or otherwise, and all changes to the HSBC Global Climate Change Benchmark Index resulting from corporate events are announced prior to their implementation, provided that all necessary information on the event is available.

Currency and Hedging

The HSBC Investable Climate Change Index is calculated by using the closing prices of the component stocks of the index as converted into U.S. dollars, and currency exposures are not hedged. As a result, the HSBC Investable Climate Change Index calculated in U.S. dollars is exposed to currency exchange rate fluctuations between the U.S. dollars and the local currencies to the extent that the component stocks of the HSBC Investable Climate Change Index are denominated in currencies other than the U.S. dollar. Because the closing prices of the component stocks denominated in local currencies are converted into the U.S. dollar for purposes of calculating the value of the HSBC Investable Climate Change Index, investors in this product will be exposed to currency exchange rate risk between the U.S. dollar and the local currencies in which the component stocks trade. Exposure to currency changes will depend on the extent to which such local currencies strengthen or weaken against the dollar and the relative weight of the component stocks denominated in such local currencies in the HSBC Investable Climate Change Index. The devaluation of the U.S. dollar against the local currencies will result in an increase in the value of the HSBC Investable Climate Change Index, in the absence of other factors affecting the value of the HSBC Investable Climate Change Index. Conversely, if the U.S. dollar strengthens against these currencies, the value of the HSBC Investable Climate Change Index will be adversely affected and may reduce or eliminate any return on your investment. Fluctuations in currency exchange rates can have a continuing impact on the value of the HSBC Investable Climate Change Index, and any negative currency impact on the HSBC Investable Climate Change Index may significantly decrease the value of this investment product. Accordingly, the return on the HSBC Investable Climate Change Index calculated in U.S. dollars can be significantly different from the return on such index calculated in local currencies.

Historical Performance of the Index

The Index was launched on or about September 24, 2007 and as such, the Index has limited performance history. The hypothetical returns presented herein represent the reasonable estimate of the price returns which would have been generated in respect of the Index applying the methodology and maintenance criteria disclosed as of the date hereof by the Index Sponsor. The historical or pro forma performance of the Index and the instruments comprising the Index should not be taken as an indication of the future performance. It is impossible to predict whether the level of the Index will fall or rise over the Term of the Notes. The level of the Index will be influenced by the complex and interrelated economic, financial, regulatory, geographic, judicial, political and other factors that can affect the trading markets on which the instrument or instruments comprising the Index are traded and/or the value of the Notes.

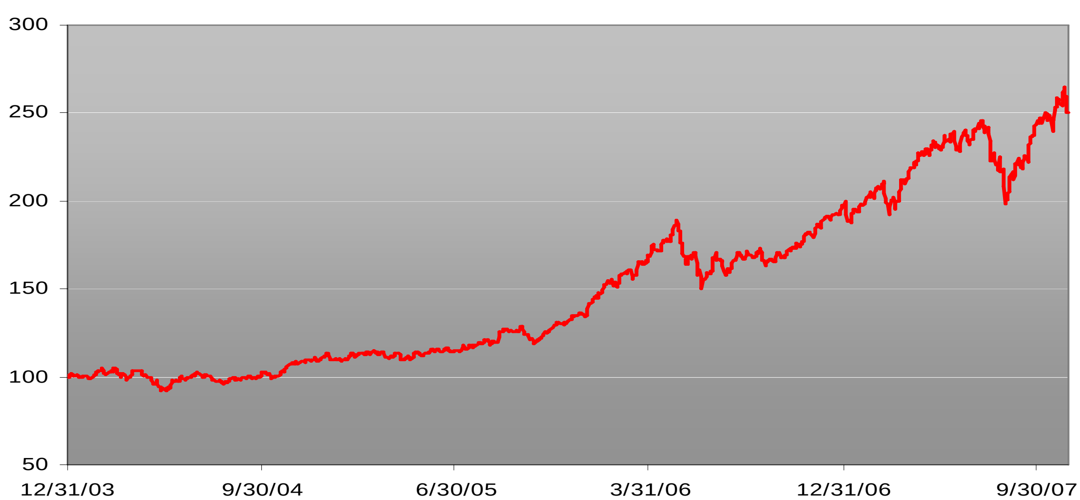
The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of the Index for each quarter in the period from January, 2004 through September, 2007 and for the period from January, 2004 through September, 2007. The closing level of the Index on September 28, 2007 was 243.32. We obtained the data in the following table from Bloomberg, LP, without independent verification by us.

Historical levels of the Index should not be taken as an indication of future performance.

QUARTER ENDING	QUARTERLY HIGH	QUARTERLY LOW	QUARTERLY CLOSE
March 31, 2004	105.05	98.51	102.65
June 30, 2004	103.81	91.91	102.42
September 30, 2004	101.97	95.97	101.52
December 31, 2004	113.29	99.08	113.29
March 31, 2005	114.77	108.62	111.48
June 30, 2005	116.18	109.44	115.14
September 30, 2005	128.39	114.16	128.39
December 30, 2005	136.11	119.13	134.4
March 31, 2006	168.95	134.4	168.77
June 30, 2006	189.33	150.32	168.06
September 29, 2006	173.25	157.83	169.25
December 29, 2006	197.9	167.57	197.9
March 30, 2007	212.91	187.98	212.91
June 29, 2007	240.35	212.91	235.15
September 28, 2007	245.41	198.43	243.32
January, 2004 through September, 2007	245.41	91.91	243.32

The following graph sets forth the historical levels of the Index from (12/31/03) to present (11/12/07) using daily data obtained from Bloomberg LP.

Historical levels of the Index should not be taken as an indication of future performance.



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