

HSBC INVESTABLE CLIMATE CHANGE INDEX

Index Description

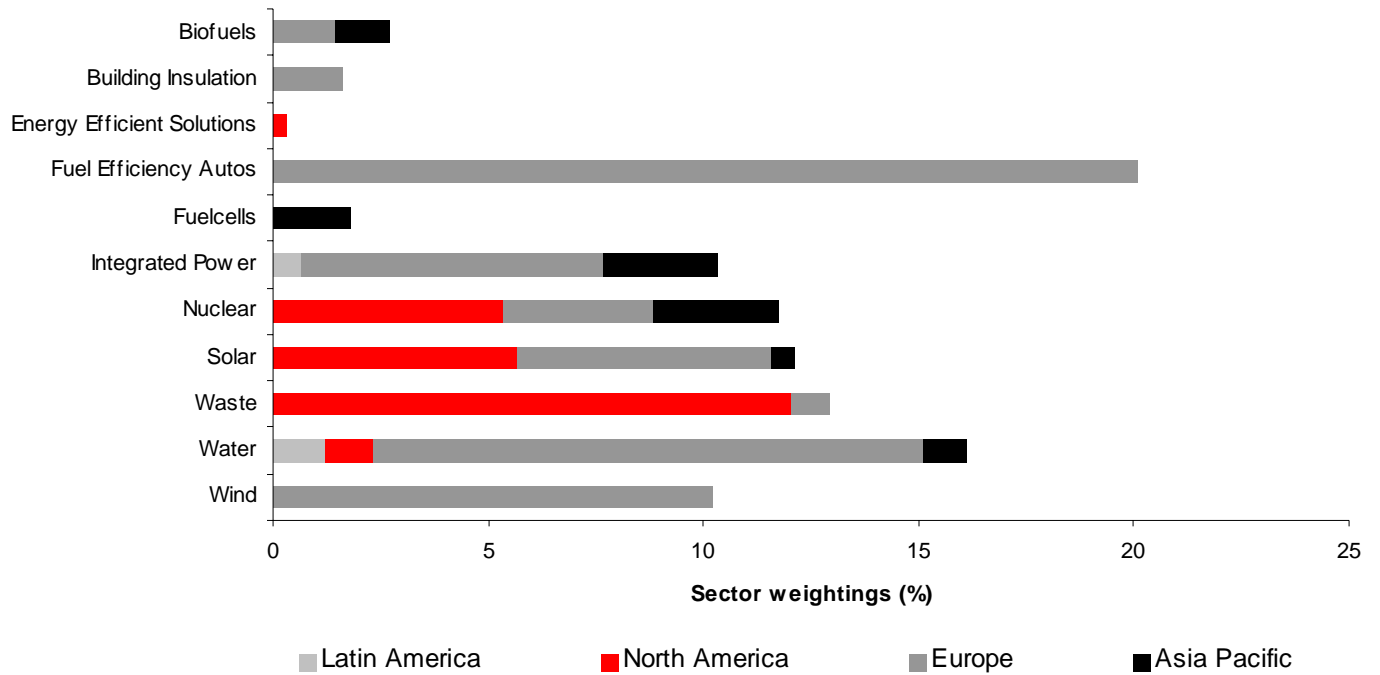
The information contained herein is presented in summary form and all disclosures regarding the HSBC Investable Climate Change Index are derived from publicly available information and the Index Sponsor, HSBC Bank plc. We take no responsibility for the accuracy or completeness of any information relating to the Index and the information contained herein is furnished as a matter of information only.

The 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) (Index Ticker: HSCCII – Bloomberg). 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. Currently, this represents a market capitalization threshold for the HSBC Investable Climate Change Index of US\$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.

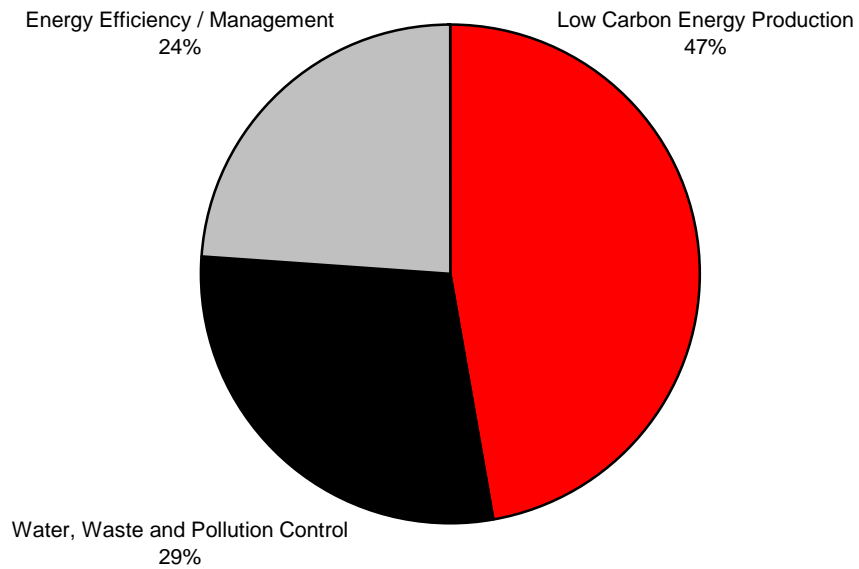
Sector Breakdown

“*Climate change related activities*” includes 19 distinct industry sub-sectors: 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. As of March 6th, 2008, the regional representation of the primary sub-sectors was as follows:



Source: HSBC Bank plc

These sub-sectors have been grouped into broader categories as follows (data as of March 6, 2008):



Source: HSBC Bank plc

Top 10 Holdings

The top 10 components of the HSBC Investable Climate Change Index as of March 6th, 2008, which represented approximately 59.24% of the Index, are as follows:

| Stock | Country | Ticker | Currency | Sub-Sector Description | Weighting(%) |
|------------------------|---------------|----------|----------|------------------------|--------------|
| Veolia Environment | France | VIE.PA | EUR | Water | 11.79 |
| Impala Platinum | South America | IMPJ.J | ZAR | Fuel Efficiency Autos | 9.97 |
| EDP Energias Port | Portugal | EDPP.IN | EUR | Integrated Power | 6.45 |
| Vestas Wind Systems | Denmark | VWS.CO | DKK | Wind | 6.12 |
| Waste Management | USA | UW.N | USD | Waste | 6.00 |
| Anglo Platinum Ltd. | South Africa | AMSJ.J | ZAR | Fuel Efficiency Autos | 5.64 |
| Cameco | Canada | CCO.TO | CAD | Nuclear | 3.95 |
| British Energy GP | UK | BGY.L | GBP | Nuclear | 3.46 |
| Lonmin | UK | LMI.L | GBP | Fuel Efficiency Autos | 3.23 |
| Shikoku Electric Power | Japan | M9507.JP | JPY | Integrated Power | 2.63 |

Source: HSBC Bank plc

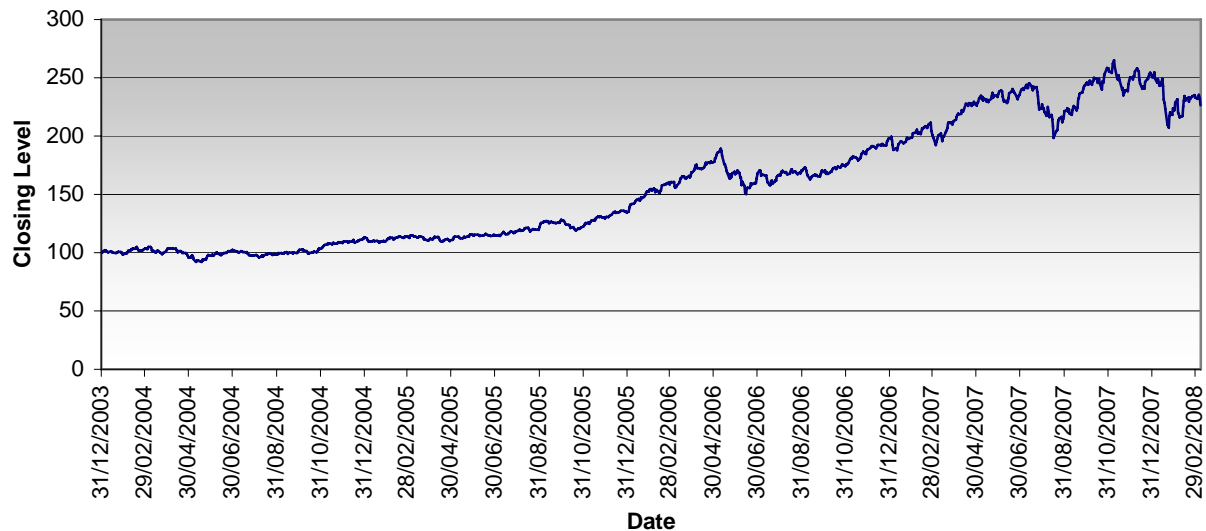
Annual and Quarterly Index Reviews. Each year, the HSBC Global Climate Change Benchmark Index completes an annual index review and three quarterly index reviews of the composition of component stocks in the HSBC Global Climate Change Benchmark Index and any changes to the HSBC Global Climate Change Benchmark 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

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.

We obtained the data in the following table from Bloomberg without independent verification by us. The closing level of the Index on March 6th, 2008 was 232.43. The following graph sets forth the historical levels of the Index from (12/31/03) to present (03/06/08) using daily data obtained from Bloomberg LP. Historical levels of the Index should not be taken as an indication of future performance.

HSBC Investable Climate Change Index History



Source: Bloomberg

Index Disclaimer

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