

INFORMATION STATEMENT

DATED October 28, 2009



HSBC BANK CANADA

**GLOBAL FINANCIALS DEPOSIT NOTES,
SERIES 1**

DUE NOVEMBER 25, 2014

PRICE: \$100.00 per Note

MINIMUM SUBSCRIPTION: \$5,000.00 (50 Notes)

IMPORTANT INFORMATION

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

*The Notes are not conventional notes or debt securities in that they do not provide to Noteholders a return at maturity calculated by reference to a fixed or floating rate of interest. The Notes are complex investment products that are constructed using: i) a zero coupon bond which provides the principal protection component; and ii) an embedded derivative that provides indirect exposure (positive or negative) to the underlying Reference Shares. **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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You may request information about the Notes or obtain another copy of this Information Statement by calling HSBC at 1-866-511-4722. A copy of this Information Statement is also posted at www.hsbcnet.com/spcanada.

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

ELIGIBILITY FOR INVESTMENT

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

SUMMARY OF THE OFFERING

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

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

Issue: **HSBC Global Financials 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, depending upon the price performance of a notional portfolio of ten (10) equally-weighted Reference Shares set out below under the heading “*The Portfolio*”. The performance of each Reference Share will be measured from its closing price on the Pricing Date to its closing price on the Valuation Date to determine the Reference Share Return, which will be subject to a maximum Cap of 45%. The *average of all* 10 Reference Share Returns will then be *multiplied* by the Principal Amount 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 Portfolio:

The notional portfolio (the “**Portfolio**”) is initially comprised of ten (10) equally-weighted shares of publicly listed companies (each a “**Reference Share**” and collectively, the “**Reference Shares**”, and the respective issuers thereof being each a “**Company**” and collectively, the “**Companies**”). Subject to the occurrence of a Special Circumstance, the ten (10) Reference Shares will be as follows during the Term of the Notes:

REFERENCE SHARE	TICKER	EXCHANGE
Bank of Nova Scotia	BNS	TSX
China Construction Bank-H	939	HKEX
Banco Santander SA	SAN	SIBE
Royal Bank of Canada	RY	TSX
Goldman Sachs Group, Inc.	GS	NYSE
Toronto Dominion Bank	TD	TSX
Standard Chartered Plc	STAN	LSE
Bank of America Corporation	BAC	NYSE
HSBC Holdings Plc – HK	5	HKEX
Bank of China Ltd – H	3988	HKEX

See “*Annex A - The Reference Shares*” for further information about the Reference Shares, including brief descriptions of the business of each of the Companies and information on their respective historical share price performance.

The Portfolio is notional only. A Noteholder will not have, and the Notes will not represent, any direct or indirect ownership or other interest in the Reference Shares or the Companies associated therewith. Noteholders will not have any direct or indirect recourse to the Reference Shares and the

Companies associated therewith, and will not have any of the rights of an actual holder of shares of the Companies, including the right as against a Company to receive any dividends or to vote, and will only have a right against HSBC to be paid the amounts required to be paid by HSBC under the terms of the Notes. Any actions (e.g., purchases, sales, liquidations, etc.) taken in connection with the Reference Shares are notional actions only. The Variable Return (if payable) in respect of the Notes will not reflect any dividends declared on the Reference Shares. The Reference Shares in the notional Portfolio may change in certain circumstances. See "*Special Circumstances*".

- Issue Price:** The price for each Note is \$100.00 (the "**Principal Amount**") with a minimum subscription of \$5,000.00 in Notes per holder (each a "**Noteholder**").
- Issue Date:** The Notes will be issued on or about November 25, 2009.
- Closing Date:** On or about November 18, 2009.
- Pricing Date:** On or about November 19, 2009.
- Issue Size:** Up to \$10,000,000 HSBC may increase or decrease the size of the offering at its sole discretion.
- Valuation Date:** On or about November 19, 2014.
- Maturity Date/Term:** The Notes will mature on November 25, 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 five (5) years (the "**Term**").
- Maturity Redemption Amount:** On the Maturity Date, repayment of the full Principal Amount of \$100.00 per Note will be payable to the Noteholder regardless of the performance of the Reference Shares, *plus* the Variable Return, if any (together, the "**Maturity Redemption Amount**"), subject to the occurrence of an Extraordinary Event.
- Variable Return:** The "**Variable Return**", if any, payable on each Note will be calculated using the following formula:

$$\text{Principal Amount} \times \text{the } \underline{\text{average}} \text{ of all 10 Reference Share Returns}$$

If the Variable Return is zero or less than zero, then the Notes will not pay a Variable Return. See "*Description of the Notes – Variable Return*".

- Reference Share Return:** For each Reference Share, the "**Reference Share Return**" means, a number (which may be positive or negative), expressed as a percentage, calculated as follows:

$$\frac{\text{Valuation Price} - \text{Initial Price}}{\text{Initial Price}}$$

provided that a Reference Share Return shall never exceed the maximum Cap of 45%. There is no minimum Reference Share Return.

If the average of all the ten (10) Reference Share Returns is calculated to be zero or less than zero, then the Notes will not pay a Variable Return. See "*Description of the Notes – Variable Return*".

- Cap:** 45%
- Initial Price:** "**Initial Price**" means, in respect of a Reference Share, the Closing Price of that Reference Share on the Pricing Date, provided that, if such date is not an Exchange Day in respect of that Reference Share, then the Initial Price in respect of that Reference Share means the Closing Price of that Reference Share for the following Exchange Day, and subject further to the provisions set out under the heading "*Special Circumstances*".
- Valuation Price:** "**Valuation Price**" means, in respect of a Reference Share, the Closing Price of that Reference Share on the Valuation Date provided that, if such date is not an Exchange Day in respect of that Reference Share, then the Valuation Price in respect of that Reference Share means the Closing Price of that Reference Share for the following Exchange Day, and subject further to the provisions set out under the heading "*Special Circumstances*".

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

Expenses of the Offering: The Selling Agents will receive from HSBC a fee of up to 3.5% of the aggregate Principal Amount of the Notes sold as a result of the services of the Selling Agents. These upfront expenses will not have an effect on the amount payable to the Noteholders. Specifically the fees will not factor into the formula for, or affect the potential of the Variable Return, if any, which may be payable to Noteholders on the Maturity Date.

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

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

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

Time Period	Early Trading Charge
Issue Date to and including May 24, 2010	3.5%
May 25, 2010 to and including November 24, 2010	2.0%
November 25, 2010 to and including May 24, 2011	1.0%
May 25, 2011 to and including the Maturity Date	0.0%

If you sell a Note within the first one and a half (1.5) years from the Issue Date, the proceeds from the sale of the Note will be reduced by the applicable Early Trading Charge as indicated in the table above. After 1.5 years 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 Reference Shares 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 Reference Shares within the notional Portfolio. **A rating is not a recommendation to buy, sell or hold investments and may be subject to change or withdrawal at any time by the relevant rating agency.**

Tax Considerations:

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

Consequences of Special Circumstances:

In certain circumstances, the Calculation Agent may, as it determines appropriate, i) adjust the component or variables in the calculation of the Reference Share Return as a result of a Potential Adjustment Event, ii) defer the timing of the calculation of the Variable Return as a result of a Market Disruption Event, iii) change the Reference Shares included initially in the Portfolio as a result of a Substitution Event, or (iv) estimate the value of the Variable Return if any, and accelerate the payment thereof as a result of an Extraordinary Event. See "*Special Circumstances*" for a detailed discussion of these circumstances.

Risk Factors to Consider:

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

- The Notes will not constitute insured deposits;
- Noteholders may not receive a Variable Return;
- A Noteholder will not receive more than the maximum Variable Return of \$45.00 per Note at maturity as a result of the Cap;
- The Principal Amount is payable 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;
- Price or other movements in the Reference Shares are unpredictable;
- The historical or pro forma performance of each Reference Share is not an indication of future performance; and
- Adjustments as a result of certain Special Circumstances.

HSBC BANK CANADA

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

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

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

DESCRIPTION OF THE NOTES

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

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

Ongoing information with respect to the Notes will be made available at www.fieracapital.com. HSBC will also maintain background information with respect to the Notes on its website at www.hsbcnet.com/spanada.

Issue

The Notes will be issued by HSBC on the Issue Date (November 25, 2009).

Maturity and Repayment of Principal

Each Note matures on November 25, 2014, on which date the Principal Amount (i.e. \$100.00 per Note) and the Variable Return, if any, will be payable in Canadian dollars 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 following Business Day and no interest or other compensation will be paid in respect of such delay.

Variable Return

The Variable Return, if any, for each Note will be paid in Canadian Dollars on the Maturity Date (subject to the occurrence of a Market Disruption Event and a Special Circumstance – see "*Special Circumstances*") in an amount equal to the result obtained using the following formula:

Principal Amount x *the average of all ten (10) Reference Share Returns*

Reference Share Return

For each Reference Share, the "**Reference Share Return**" means, a number (which may be positive or negative), expressed as a percentage, calculated as follows:

$$\frac{\text{Valuation Price} - \text{Initial Price}}{\text{Initial Price}}$$

provided that a Reference Share Return shall never exceed the maximum Cap of 45%. There is no minimum Reference Share Return.

“Initial Price” means, in respect of a Reference Share, the Closing Price of that Reference Share on the Pricing Date, provided that, if such date is not an Exchange Day in respect of that Reference Share, then the Initial Price in respect of that Reference Share means the Closing Price of that Reference Share for the following Exchange Day, and subject further to the provisions set out under the heading “Special Circumstances”.

“Valuation Price” means, in respect of a Reference Share, the Closing Price of that Reference Share on the Valuation Date provided that, if such date is not an Exchange Day in respect of that Reference Share, then the Valuation Price in respect of that Reference Share means the Closing Price of that Reference Share for the following Exchange Day, and subject further to the provisions set out under the heading “Special Circumstances”.

If the average of all the ten (10) Reference Share Returns is calculated to be zero or less than zero, then the Notes will not pay a Variable Return.

Reference Shares

The notional Portfolio will initially consist of an equally-weighted proportion of the ten (10) Reference Shares of various Companies. Subject to the occurrence of a Special Circumstance, the ten (10) Reference Shares will be as follows during the Term of the Notes:

REFERENCE SHARE	TICKER	EXCHANGE
Bank of Nova Scotia	BNS	TSX
China Construction Bank-H	939	HKEX
Banco Santander SA	SAN	SIBE
Royal Bank of Canada	RY	TSX
Goldman Sachs Group, Inc.	GS	NYSE
Toronto Dominion Bank	TD	TSX
Standard Chartered Plc	STAN	LSE
Bank of America Corporation	BAC	NYSE
HSBC Holdings Plc – HK	5	HKEX
Bank of China Ltd – H	3988	HKEX

The Portfolio is notional only. A Noteholder will not have, and the Notes will not represent, any direct or indirect ownership or other interest in the Reference Shares or the Companies associated therewith. Noteholders will not have any direct or indirect recourse to the Reference Shares and the Companies associated therewith, and will not have any of the rights of an actual holder of shares of the Companies, including the right as against a Company to receive any dividends or to vote, and will only have a right against HSBC to be paid the amounts required to be paid by HSBC under the terms of the Notes. Any actions (e.g., purchases, sales, liquidations, etc.) taken in connection with the Reference Shares are notional actions only. **The Variable Return (if payable) in respect of the Notes will not reflect any dividends declared on the Reference Shares.** The average dividend yield for the Portfolio was approximately 3.35% as of November 5, 2009. The Reference Shares in the notional Portfolio may change in certain circumstances. See “Special Circumstances”.

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

See “Annex A – The Reference Shares” below for further information about the Reference Shares, including brief descriptions of the business of each of the Companies and information on their historical trading prices. Investors may obtain more detailed information about

the Reference Shares from their advisor or the respective websites of each of the Companies. In addition, information regarding such Reference Shares may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. **We make no representation or warranty as to the accuracy or completeness of such information.** In addition, one of the Reference Shares in the notional Portfolio, HSBC Holdings PLC is an affiliate of HSBC, the Calculation Agent and HSBC Securities, and, as such, a conflict of interest exists. See “*Risk Factors*”.

THE LEGALITY OR SUITABILITY OF THE NOTES HAS NOT BEEN PASSED ON BY THE COMPANIES. THE NOTES ARE NOT ISSUED BY AND ARE NOT FINANCIAL OR LEGAL OBLIGATIONS OF THE COMPANIES. THE COMPANIES MAKE NO WARRANTIES AND BEAR NO LIABILITIES WITH RESPECT TO THE NOTES. THIS INFORMATION STATEMENT RELATES ONLY TO THE NOTES AND DOES NOT RELATE TO ANY SECURITY OF ANY UNDERLYING COMPANY.

HYPOTHETICAL EXAMPLES

The following examples demonstrate how the Variable Return (if any) is calculated and are included for illustrative purposes only. **The examples below are based on hypothetical prices of the Reference Shares and are NOT intended as a forecast or estimate of the future share prices of the Reference Shares on the Valuation Date. Please note that if the Variable Return is calculated to be zero or less than zero, then the Note will not pay a Variable Return.**

Illustration Purposes Only – Not Intended to Predict Actual Results.

Example 1: Positive Scenario – Assumes overall positive price performance of the Portfolio.

Reference Share	Ticker/ Exchange	Initial Price	Valuation Price	((Valuation Price - Initial Price) / Initial Price)	Cap	Reference Share Return
Bank of Nova Scotia	BNS / TSX	46.00	67.34	46.39%	45.00%	45.00%
China Construction Bank-H	939 / HKEX	7.00	10.84	54.86%	45.00%	45.00%
Banco Santander SA	SAN / SIBE	11.28	16.63	47.43%	45.00%	45.00%
Royal Bank of Canada	RY / TSX	55.00	82.08	49.24%	45.00%	45.00%
Goldman Sachs Group, Inc.	GS / NYSE	178.00	238.35	33.90%	45.00%	33.90%
Toronto Dominion Bank	TD / TSX	64.00	96.40	50.63%	45.00%	45.00%
Standard Chartered Plc	STAN / LSE	15.90	25.86	62.64%	45.00%	45.00%
Bank of America Corporation	BAC / NYSE	15.30	21.37	39.67%	45.00%	39.67%
HSBC Holdings Plc - HK	5 / HKEX	90.35	116.65	29.11%	45.00%	29.11%
Bank of China Ltd - H	3988 / HKEX	4.66	7.93	70.17%	45.00%	45.00%
Average of all 10 Reference Share Returns						41.77%
Principal Amount						\$10,000.00
Variable Return (Principal Amount x average of all 10 Reference Share Returns)						\$4,176.87
Maturity Redemption Amount (Principal Amount + Variable Return)						\$14,176.87

The table above illustrates the hypothetical Valuation Prices of each of the ten (10) Reference Shares on the Valuation Date. On the Maturity Date, a Note will pay a Maturity Redemption Amount equal to the Principal Amount plus the Variable Return (if any). The Variable Return is calculated by *multiplying* the Principal Amount by the *average* of all of the ten (10) Reference Share Returns (one for each Reference Share, each of which may be positive or negative) subject to a maximum Cap of 45% if positive.

In this example, the share price of all 10 Reference Shares increased over the Term of the Note. The average of all 10 Reference Share Returns was calculated to be 41.77%. As a result, the Notes would return the Principal Amount of \$10,000.00, plus a Variable Return of \$4,176.87, resulting in a Maturity Redemption Amount of \$14,176.87. This is equivalent to an approximate return of 41.77% (7.23 % annualized).

Example 2: Negative Scenario - Assumes overall poor price performance of the Portfolio.

Reference Share	Ticker/ Exchange	Initial Price	Valuation Price	((Valuation Price - (Initial Price) / Initial Price))	Cap	Reference Share Return
Bank of Nova Scotia	BNS / TSX	46.00	43.92	-4.52%	45.00%	-4.52%
China Construction Bank-H	939 / HKEX	7.00	6.84	-2.29%	45.00%	-2.29%
Banco Santander SA	SAN / SIBE	11.28	10.63	-5.76%	45.00%	-5.76%
Royal Bank of Canada	RY / TSX	55.00	47.53	-13.58%	45.00%	-13.58%
Goldman Sachs Group, Inc.	GS / NYSE	178.00	123.90	-30.39%	45.00%	-30.39%
Toronto Dominion Bank	TD / TSX	64.00	47.45	-25.86%	45.00%	-25.86%
Standard Chartered Plc	STAN / LSE	15.90	13.20	-16.98%	45.00%	-16.98%
Bank of America Corporation	BAC / NYSE	15.30	11.91	-22.16%	45.00%	-22.16%
HSBC Holdings Plc - HK	5 / HKEX	90.35	84.21	-6.80%	45.00%	-6.80%
Bank of China Ltd - H	3988 / HKEX	4.66	3.42	-26.61%	45.00%	-26.61%
Average of all 10 Reference Share Returns						-15.49%
Principal Amount						\$10,000.00
Variable Return (Principal Amount x average of all 10 Reference Share Returns)						\$0.00
Maturity Redemption Amount (Principal Amount + Variable Return)						\$10,000.00

The table above illustrates the hypothetical Valuation Prices of each of the ten (10) Reference Shares on the Valuation Date. In this example, the price of all ten Reference Shares decreased over the Term of the Note. For each Reference Share, while there may be maximum positive return of 45% on account of the Cap, there is no minimum Reference Share Return. The average of all 10 Reference Share Returns was calculated to be -15.49%. Therefore, no Variable Return would be paid and the Notes would return only the Principal Amount of \$10,000.00 at maturity.

Example 3: Mixed Scenario - Assumes mixed price performance of the Portfolio.

Reference Share	Ticker/ Exchange	Initial Price	Valuation Price	((Valuation Price - (Initial Price) / Initial Price))	Cap	Reference Share Return
Bank of Nova Scotia	BNS / TSX	46.00	43.92	-4.52%	45.00%	-4.52%
China Construction Bank-H	939 / HKEX	7.00	12.46	78.00%	45.00%	45.00%
Banco Santander SA	SAN / SIBE	11.28	12.43	10.20%	45.00%	10.20%
Royal Bank of Canada	RY / TSX	55.00	47.53	-13.58%	45.00%	-13.58%
Goldman Sachs Group, Inc.	GS / NYSE	178.00	133.86	-24.80%	45.00%	-24.80%
Toronto Dominion Bank	TD / TSX	64.00	53.61	-16.23%	45.00%	-16.23%
Standard Chartered Plc	STAN / LSE	15.90	21.40	34.59%	45.00%	34.59%
Bank of America Corporation	BAC / NYSE	15.30	18.91	23.59%	45.00%	23.59%
HSBC Holdings Plc - HK	5 / HKEX	90.35	100.34	11.06%	45.00%	11.06%
Bank of China Ltd - H	3988 / HKEX	4.66	6.81	46.14%	45.00%	45.00%
Average of all 10 Reference Share Returns						11.03%
Principal Amount						\$10,000.00
Variable Return (Principal Amount x average of all 10 Reference Share Returns)						\$1,103.02
Maturity Redemption Amount (Principal Amount + Variable Return)						\$11,103.02

The table above illustrates the hypothetical Valuation Prices of each of the ten (10) Reference Shares on the Valuation Date. On the Maturity Date, a Note will pay a Maturity Redemption Amount equal to the Principal Amount plus the Variable Return (if any). The Variable Return is calculated by multiplying the Principal Amount by the average of all of the ten (10) Reference Share Returns (one for each Reference Share, each of which may be positive or negative) subject to a maximum Cap of 45% if positive.

In this example, the price of 6 of the 10 Reference Shares increased over the Term of the Note. The average of all 10 Reference Share Returns was calculated to be 11.03%. As a result, the Notes would return the Principal Amount of \$10,000.00, plus a Variable Return of

\$1,103.02, resulting in a Maturity Redemption Amount of \$11,103.02. This is equivalent to an approximate return of 11.03% (2.11% annualized).

Secondary Trading of Notes

Secondary Market

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

The Notes are not designed to be short-term trading instruments and are intended to be held to maturity. Noteholders choosing to sell their Notes prior to the Maturity Date will receive a market price which is not necessarily equal to 100% of the Principal Amount and which does not necessarily reflect any increase in the price of the Reference Shares 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 one and a half (1.5) 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:

Time Period	Early Trading Charge
Issue Date to and including May 24, 2010	3.5%
May 25, 2010 to and including November 24, 2010	2.0%
November 25, 2010 to and including May 24, 2011	1.0%
May 25, 2011 to and including the Maturity Date	0.0%

A Noteholder should be aware that any valuation price for the Notes, as well as any bid price quoted to the Noteholder to sell his or her Notes within the first 1.5 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 depository or its nominee as the owner of the Notes, initially to be CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. Each Noteholder's beneficial ownership of Notes will be shown on the records maintained by the Noteholder's broker/dealer, bank, trust company or other representative that is a participant in the relevant depository, as explained more fully below. Interests of participants will be shown on the records maintained by the relevant

depository. Neither HSBC nor any depository 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 depository (initially being CDS) and registered in the name of such depository 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 depository, its nominee or any successors of such depository or nominee.

Payments on the Notes represented by a registered global deposit note registered in the name of a depository or its nominee will be made to the depository 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 depository 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 depository. 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 depository 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 depository, and a successor depository 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 depository.

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

Amendments to the Notes

The global certificate representing the Notes may be amended without the consent of the holders by the Bank if, in the reasonable opinion of the Bank, the amendment would not materially and adversely affect the interests of the holders. In other cases, the global certificate may be amended if the amendment is approved by a resolution passed by the favourable votes of the holders of not less than 66 2/3% of the Notes represented at a meeting convened for the purposes of considering the resolution, or by written resolution signed by holders of not less than 66 2/3% of the Notes. Quorum for a meeting shall be reached if holders of 10% or more of the Notes are present at the meeting. Each Noteholder is entitled to one vote per Note held by such Noteholder for the purposes of voting at meetings. If a quorum is not reached at any meeting, that meeting must be adjourned to a later date not earlier than seven Business Days after the original meeting date, in which case the quorum required shall be the Noteholders present at such adjourned meeting. The Notes do not carry the right to vote in any other circumstances.

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 be solely responsible for (i) the calculation of the amount of the Variable Return (if any) payable to Noteholders; (ii) the determination of the occurrence of a Potential Adjustment Event, Substitution Event and Extraordinary Event as set forth under "*Special Circumstances*" below and its corresponding impact on the Reference Shares; and (iii) determining whether a Market Disruption Event exists; and (iv) determining the net asset value of the Note or Note value for general valuation purposes. The Calculation Agent will, in its sole discretion, make 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 Bank and Noteholders without any liability on the part of the Bank and the Calculation Agent. The Calculation Agent may have economic interests adverse to those of the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make. See "*Risk Factors*". The Calculation Agent is obligated to carry out its duties and functions in good faith and using its reasonable judgment.

SPECIAL CIRCUMSTANCES

Potential Adjustment Event

Following the declaration by a Company of the terms of any Potential Adjustment Event (as defined below) in respect of a Reference Share of a Company that is notionally held in the Portfolio at the time of such declaration, the Calculation Agent, acting in its sole and absolute discretion, will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Reference Shares and, if so, will (i) make the corresponding adjustments, if any, to any one or more of the Initial Price of such Reference Share, the formula for calculating the Reference Share Return of such Reference Share, or any other component or variable relevant to the determination of the Variable Return (if any) as the Calculation Agent, acting in its sole and absolute discretion, determines appropriate to account for the diluting or concentrative effect and (ii) determine the effective date of the adjustments. The Calculation Agent may, but need not, determine any appropriate adjustments by reference to the adjustments in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Reference Share traded on such options exchange. Unless expressly provided below, the Calculation Agent will make no adjustment in respect of any distribution of cash.

"**Potential Adjustment Event**" means, in respect of a Reference Share, the occurrence of any of the following events, as determined by the Calculation Agent, acting in its sole and absolute discretion:

- (a) a subdivision, consolidation or reclassification of relevant Reference Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Reference Shares to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Reference Shares of (i) such Reference Shares, or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the

applicable Company equally or proportionately with such payments to holders of such Reference Shares, or (iii) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the applicable Company as a result of a spin-off or other similar transaction, or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by Calculation Agent;

- (c) an extraordinary dividend in respect of such Reference Shares (where the characterization of a dividend as “extraordinary” will be determined by Calculation Agent);
- (d) a call by the applicable Company in respect of the relevant Reference Shares that are not fully paid;
- (e) a repurchase by the applicable Company or any of its subsidiaries of the relevant Reference Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or a combination of cash and securities (other than a repurchase which constitutes a Tender Offer (as defined below));
- (f) in respect of the applicable Company, an event that results in any shareholder or unitholder rights, as applicable, being distributed or becoming separated from units, common shares or other securities of the capital stock of such Company pursuant to a shareholder or unitholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred shares, warrants, debt instruments or share rights at a price below their market value, as determined by Calculation Agent, provided that any adjustment effected as a result of such an event will be readjusted upon any redemption or exercise of such rights; or
- (g) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Reference Shares.

Merger Event and Tender Offer

On or after a Merger Date or Tender Offer Date (each as defined below), the Calculation Agent (i) will (A) make adjustment(s), if any, to any one or more of the Initial Price of the relevant Reference Share, the formula for calculating the Reference Share Return of such Reference Share, or any other component or variable relevant to the determination of the Variable Return as the Calculation Agent, acting in its sole discretion, determines appropriate to account for the economic effect on the Notes of the relevant Merger Event or Tender Offer, which may, but need not, be determined by reference to the adjustments made in respect of such Merger Event or Tender Offer by an options exchange to options on the relevant Reference Shares traded on such options exchange and (B) determine the effective date of the adjustments, or (ii) if the Calculation Agent determines that no adjustments that it could make under (i) will produce a commercially reasonable result, may deem the relevant Merger Event or Tender Offer to be a Substitution Event subject to the provisions of “*Substitution Event*” below.

“**Merger Event**” means, in respect of a Reference Share, any (i) reclassification, reorganization, consolidation or change of the relevant Reference Shares that results in a transfer of or an irrevocable commitment to transfer all of such Reference Shares outstanding to another entity or person, (ii) statutory arrangement, consolidation, amalgamation, merger or binding security exchange of the relevant Company with or into another entity or person (other than a statutory arrangement, consolidation, amalgamation, merger or binding security exchange in which such Company is the continuing entity and which does not result in a reclassification, reorganization, consolidation or change of all of such Reference Shares outstanding), (iii) takeover bid (within the meaning of applicable securities laws), tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Reference Shares of such Company that results in a transfer of or an irrevocable commitment to transfer all such Reference Shares (other than such Reference Shares owned or controlled by such other entity or person), (iv) statutory arrangement, consolidation, amalgamation, merger or binding security exchange of such Company or its subsidiaries with or into another entity in which such Company is the continuing entity and which does not result in a reclassification, reorganization, consolidation or change of all such Reference Shares outstanding but results in the outstanding Reference Shares (other than Reference Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Reference Shares immediately following such event (commonly referred to as a “reverse merger”), or (v) sale of all or substantially all assets of the Company (or any lease, long term supply agreement or other arrangement having the same economic effect as a sale of all or substantially all assets in the Issue) in each case if the Merger Date is on or before the date on which the return of such Reference Share is determined.

“**Merger Date**” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by Calculation Agent.

“**Tender Offer**” means, in respect of a Reference Share, a takeover bid (within the meaning of applicable securities laws), tender offer, exchange offer, solicitation, proposal or other event by any entity or person (including, for greater certainty, an issuer bid) that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding relevant Reference Shares of the applicable Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Tender Offer Date**” means, in respect of a Tender Offer, the date on which the relevant Reference Shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

Substitution Event

Upon the Calculation Agent becoming aware of the occurrence of a Substitution Event (as defined below) in respect of a Reference Share or Reference Shares notionally held in the Portfolio (the “**Substituted Reference Share**”), the following will apply, effective on a date (the “**Substitution Date**”) as determined by the Calculation Agent, acting in its sole and absolute discretion:

- (a) any adjustments set out in “*Potential Adjustment Event*” above in respect of such Reference Share will not apply;
- (b) the Calculation Agent may choose (in its sole and absolute discretion) a new security (the “**Alternate Reference Share**”) of a large issuer in the financial sector listed on a major exchange or market quotation system as a substitute for such Substituted Reference Share;
- (c) such Substituted Reference Share will be deleted from the Portfolio and will not be considered as a Reference Share for purposes of determining the Variable Return that may be payable after the Substitution Date;
- (d) the Alternate Reference Share will be a Reference Share notionally held in the Portfolio, the issuer of such Alternate Reference Share will be the Company in respect of such Alternate Reference Share, and the primary exchange or market quotation system on which such Alternate Reference Share is listed will be the Exchange in respect of such Alternate Reference Share; and
- (e) the Calculation Agent, acting in its sole and absolute discretion, will determine the Initial Price of such Alternate Reference Share by taking into account all relevant market circumstances, including the Initial Price of such Substituted Reference Share and the Closing Price or estimated value on the Substitution Date of the Substituted Reference Share and the Closing Price on the Substitution Date of the Alternate Reference Share, and will make adjustments, if any, to any one or more of the formula for calculating the return of such Alternate Reference Share, or any other component or variable relevant to the determination of the Variable Return as the Calculation Agent, acting in its sole and absolute discretion, determines appropriate to account for the economic effect on the Notes of the relevant Substitution Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the applicable substitution).

Upon choosing an Alternate Reference Share, the Calculation Agent will promptly give details of such substitution and brief details of the Substitution Event to Noteholders. For greater certainty, the Alternate Reference Share chosen by the Calculation Agent may be any security of a large issuer in the financial sector, including any securities of an issuer that was the continuing entity in respect of a Merger Event. The Calculation Agent may decide not to choose an Alternate Reference Share as a substitute for a Substituted Reference Share if the Calculation Agent, acting in its sole and absolute discretion, determines that there are no appropriate securities of a large issuer listed on a major exchange or market quotation system which offer sufficient liquidity in order for a party to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such Reference Share or to realize, recover or remit the proceeds of any such hedge transaction. See “*Special Circumstances-Extraordinary Event*” below.

“**Substitution Event**” means, in respect of a Reference Share, any Nationalization, Insolvency or Delisting in respect of such Reference Share, or any Merger Event or Tender Offer in respect of such Reference Share that is deemed by the Calculation Agent to be a Substitution Event, in its sole discretion, or the occurrence and continuation for at least four consecutive applicable Exchange Days of a Market Disruption Event (as defined below) in respect of such Reference Share.

“**Nationalization**” means, in respect of a Reference Share, that all or substantially all such shares or all or substantially all the assets of the applicable Company are nationalized, expropriated or otherwise required to be transferred to any governmental agency, authority or entity.

“**Insolvency**” means, in respect of a Reference Share, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the applicable Company, (i) all the relevant Reference Shares of such Company are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Reference Shares of such Company become legally prohibited from transferring them.

“**Delisting**” means, in respect of a Reference Share, that the relevant primary exchange announces that pursuant to the rules of such exchange, the Reference Shares cease (or will cease) to be listed, traded or publicly quoted on such exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such exchange.

Market Disruption Event

If the Calculation Agent, acting in its sole and absolute discretion, determines that a Market Disruption Event (as defined below) in respect of a Reference Share has occurred and is continuing on any day that but for that event would be a Valuation Date in respect of such Reference Share, then the Variable Return will be calculated (and the applicable Closing Price will be determined) on the basis that such Valuation Date will be postponed to the next Exchange Day on which there is no Market Disruption Event in effect in respect of such Reference Share.

A Market Disruption Event may delay the determination of the Reference Share Return of a Reference Share and consequently the calculation of the Variable Return that may be payable. Where there has been a Market Disruption Event, payment of Variable Return, will be made on the Business Day after the Reference Share Returns of all Reference Shares used in the calculation of the Variable Return have been determined.

“**Market Disruption Event**” means, in respect of a Reference Share, any bona fide event, circumstance or cause (whether or not reasonably foreseeable) beyond the reasonable control of HSBC or any person that does not deal at arm's length with HSBC which has or will have a material adverse effect on the ability of a party to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such Reference Share or to realize, recover or remit the proceeds of any such hedge transaction. A Market Disruption Event may include, without limitation, any of the following events:

(a) 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) relating to the Reference Shares on the Exchange(s), or (ii) in futures or options contracts relating to the relevant Reference Shares on any relevant Related Exchange;

(b) the closure (“**Early Closure**”) on any Exchange Day of the relevant Exchange(s) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related 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) or Related Exchange(s) on such Exchange Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the close of trading on such Exchange Day;

(c) 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 Reference Shares on the Exchange(s), or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Reference Shares on any relevant Related Exchange;

(d) the failure on any Exchange Day of the relevant Exchange(s) of the relevant Reference Shares or any Related Exchange to open for trading during its regular trading session;

(e) the adoption, change, enactment, publication, decree or other promulgation of any statute, regulation, rule or notice, howsoever described, or order of any court or other governmental authority, or issuance of any directive or promulgation of, or any change in the interpretation, whether formal or informal, by any court, tribunal, regulatory authority or similar administrative or judicial body of any law, order, regulation, decree or notice, howsoever described, after such date or as a result of any other event which has or would have a material adverse effect on a securityholder of a Company or in respect of any hedge transaction established in connection with a Reference Share;

(f) the taking of any action by any governmental, administrative, legislative or judicial authority or power of Canada or any other country, or any political subdivision thereof, which has a material adverse effect on the financial markets of Canada or a country in which any applicable Exchange or Related Exchange is located;

(g) any outbreak or escalation of hostilities or other national or international calamity or crisis (including, without limitation, natural calamities) which has or would have a material adverse effect on the ability of HSBC to perform its obligations under the Notes or for a party generally to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such Reference Share or to realize, recover or remit the proceeds of any such hedge transaction in respect of such Reference Share or has or would have a material adverse effect on the Canadian or U.S. economy or the trading of securities generally on any relevant Exchange or Related Exchange; or

(h) an increase in the cost of acquiring, placing, establishing, re-establishing, substituting, maintaining, modifying unwinding or disposing of any hedging transaction in connection with a Reference Share or in the cost of realizing, recovering or remitting the proceeds of any such hedging transaction.

Extraordinary Event

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

“**Extraordinary Event**” means, the occurrence of any of the following events, as determined by the Calculation Agent, acting in its sole and absolute discretion:

- i) that a Market Disruption Event in respect of a Reference Share has occurred and has continued for at least five (5) consecutive applicable Exchange Days;
- ii) that any other Substitution Event in respect of a Reference Share has occurred, and the Calculation Agent has decided not to choose an Alternate Reference Share as a substitute for such Reference Share on the grounds the Calculation Agent has determined that there are no appropriate securities of a large issuer in the financial sector listed on a major exchange or market quotation system which offer sufficient liquidity in order for the Calculation Agent to acquire, place, establish, re-establish, substitute, maintain, modify or unwind or dispose of any hedge transaction in respect of such securities or to realize, recover or remit the proceeds of any hedge transaction;
- iii) 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
- iv) 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.

PLAN OF DISTRIBUTION

The Notes are being offered by the Bank. The closing will take place on the Closing Date. The proceeds to HSBC from the issuance of the Notes will constitute deposits received by HSBC and will be used for general banking purposes.

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

The Bank has agreed to pay the Selling Agents a fee equal to up to 3.5% of the aggregate Principal Amount of the Notes as a result of the services of the Selling Agents. These Selling Agents and other firms may pay a portion of such commissions to their advisors who sell the Notes to Noteholders. These fees and expenses will not have an effect on the amounts payable to the Noteholders at maturity. Specifically, the fees will not factor into the formula for, or affect the Variable Return, if any, which is payable to the Noteholders at maturity.

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

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

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

SUITABILITY FOR INVESTMENT

You may be suited to become a Noteholder if, among other benefits, you: (1) are looking for safety of principal if held to maturity; (2) want the potential to earn a return that may be greater than what is available from a traditional fixed term deposit but with similar risks to your principal investment; (3) want exposure to an investment that is linked to the performance of the Companies in the financial sector; and (4) are investing for the longer term and believe that the Reference Shares will appreciate.

An investment in the Notes is suitable only for investors prepared to assume risks with respect to a return linked to the price performance of the Reference Shares. The Notes are designed for investors who are prepared to hold the Notes to maturity. The Notes have certain investment characteristics that differ from conventional fixed income investments. The Notes do not provide Noteholders with a return or income stream that is calculated or determined by reference to a fixed or floating rate of interest. A Note's return is reflected in the Variable Return, if any, which will depend on the price performance of the Reference Shares as described in this Information Statement. At maturity, a Noteholder is entitled to be repaid their initial Principal Amount invested of \$100.00 per Note. **There is no assurance that a Variable Return will be payable at maturity and the Variable Return will be limited to a maximum of 45% of your original Principal Amount invested.**

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 depository 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 depository 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, (i) 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**") or (ii) who is not resident in, or deemed to be resident in Canada, who does not use or hold and is not deemed to use or hold a Note in or in the course of carrying on a business in Canada and is not an insurer carrying on an insurance business in Canada and elsewhere (a "Non-Resident Holder").

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 Canadian Holders whose Notes might not otherwise qualify as capital property, or who would like certainty with respect to the treatment of the Notes as capital property, may be entitled to make an irrevocable election to have the Notes and every other "Canadian security" (as defined in the Tax Act) held by the Noteholder, deemed to be capital property pursuant to subsection 39(4) of the Tax Act. Noteholders should consult their own tax advisors as to whether they will hold the Notes as capital property.

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

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

Canadian Holders

This portion of the summary is applicable to a Canadian Holder that is an individual (excluding trusts) and is not applicable to a Canadian Holder that is a corporation, partnership or trust, including a "financial institution" as defined in the Tax Act for the purposes of the rules governing securities held by financial institutions.

Variable Return

In the event that the Canadian Holder holds Notes until the Maturity Date (or the Special Redemption Date in the event of a Redemption Under Extraordinary Circumstances), 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 (or Special Redemption Date, as applicable), except to the extent that such Variable Return has already been included in the Canadian Holder's income for that or a preceding taxation year.

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

Disposition of the Notes

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

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

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

Non-Resident Holders

Any Variable Return paid or credited, or deemed under the Tax Act to be paid or credited, to a Non-Resident Holder may be subject to Canadian non-resident withholding tax at the rate of 25%, subject to reduction under any applicable tax treaty. The Bank intends to withhold such tax.

Generally there are no other taxes on income (including taxable capital gains) payable in respect of a Note by a Non-Resident Holder.

Prospective investors who are non-residents of Canada should consult and rely on their own tax advisors in their jurisdiction of residence as to the tax consequences of acquiring, holding and disposing of Notes.

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 constitute Insured Deposits.

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

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

The Notes are designed so that if, and only if, they are held to maturity, you will receive no less than 100% of the Principal Amount regardless of the performance of the Reference Shares. If you sell your Notes prior to maturity you may not receive the entire Principal Amount.

No ownership of, or recourse to the Reference Shares comprising the Portfolio.

The Portfolio is a notional portfolio only. The Notes will not reflect the return a Noteholder would realize if the Noteholder actually owned the Reference Shares in the Portfolio. Noteholders will not have, and the Notes will not represent, any direct or indirect ownership interest or rights (including, without limitation, voting rights or rights to receive dividends) in the Reference Shares in the Portfolio, other than a right to be paid a return on the Notes based on the price performance of the Portfolio. The Variable Return (if payable) in respect of the Notes will not reflect any dividends declared on the Reference Shares. There will be no control over the management of any entity whose securities are reflected in the Portfolio. The success of the Notes will depend in part on the ability and success of the management of the Companies in addition to general economic and market factors. Noteholders will have no recourse to any of the Companies represented by the Reference Shares.

Credit Risk.

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

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 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. 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. The Notes are generally more suitable for purchasing and holding up to maturity.

Risk Factors Relating to the Reference Shares and the Companies.

The amount of the Variable Return, if any, payable on the Notes at maturity is linked to the price performance of the Reference Shares notionally held in the Portfolio. Accordingly, certain risk factors applicable to investors who invest directly in the Reference Shares are also applicable to an investment in the Notes to the extent that such risk factors could adversely affect the price performance of the Reference Shares.

Investors should recognize that it is impossible to know whether the price of the Reference Shares at any time will rise or fall. The price of the Reference Shares notionally held in the Portfolio will be influenced by the outlook for the applicable Company and by general economic, industry and market trends. When the economy is strong, the outlook for many companies will be good, and the price of equity investments will generally rise. On the other hand, the price of equity investments usually declines with a general economic or industry downturn.

This is not a complete description of the risks applicable to the Reference Shares and the Companies. For a description of the risks applicable to the Companies and Reference Shares initially notionally held in the Portfolio, an investor may consult documents made publicly available by each Company on their respective company websites. With the exception of HSBC Holdings Plc, HSBC is not affiliated with any of the Companies and has not performed any due diligence investigation or review of them. HSBC assumes no responsibility for the adequacy of the information concerning the Companies contained in this Information Statement or publicly available. A potential investor should undertake an independent investigation of the Companies as they deem necessary to allow them to make an informed decision with respect to an investment in the Notes.

Maximum Variable Return is \$45.00 per Note.

The Reference Share Return of any Reference Share will be capped at 45% and, as a result, the maximum Variable Return is \$45.00 per Note, regardless of the extent of the actual percentage increase in the share price of any Reference Share to the Valuation Date. Therefore, the maximum amount of cumulative interest that may be payable is \$45.00 per Note if held to maturity.

Industry concentration relating to the Reference Shares.

All of the Reference Shares are companies (both domestic and foreign) in the financial industry. As a result, the volatility in the financial markets may have a greater affect on the amount of the Variable Return (if any).

Notes are subject to risk associated with non- Canadian securities markets.

The Reference Shares are mostly non-Canadian companies. Investments linked to non-Canadian securities involve risks associated with the securities markets in those countries, including risks of volatility in those markets. Geopolitical risks may affect volatility in international equity securities to a greater extent than Canadian equity securities.

The historical or pro forma performance of any Reference Share is not an indication of future performance.

The historical or pro forma performance of any Reference Share should not be taken as an indication of its respective future performance. It is impossible to predict whether the market price of each of the Reference Shares will fall or rise over the Term. The market price of each of the Reference Shares will be influenced by the complex and interrelated economic, financial, regulatory, geographic, industry, political and other factors.

No Secondary Market for the Notes Exists / Possible illiquidity and possible losses on sales before maturity.

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

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

The Notes are not designed to be short term trading instruments. Investors should be willing and able to hold any Notes purchased until the Maturity Date. Only the Principal Amount is principal protected and must be paid by HSBC at maturity. However, HSBC does not guarantee the payment at maturity of any premium that may have been paid by a Noteholder having purchased Notes in any secondary market over such Principal Amount. In addition, in the event a secondary market develops, the trading price of a Note at any time will be dependent on, among other things, (i) how much the share prices of the Reference Shares have increased or decreased and their performance up to such time; (ii) the frequency and magnitude of changes in the levels of the Reference Shares and (iii); the price performance of the Reference Shares are unpredictable; and (iv) a number of other interrelated factors, including, without limitation, prevailing interest rates, 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 market price of a Note. **As such, Noteholders choosing to sell their Notes prior to the Maturity Date will receive a market price which is not necessarily equal to 100% of the Principal Amount and, as a result, you may suffer losses.** In addition, a Noteholder who sells his or her Notes on or prior to the Maturity Date will receive sales proceeds equal to the bid price for the Notes at the relevant time minus the applicable Early Trading Charge. 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.

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

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

Changes in legislation.

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

Prescribed Debt Obligations.

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

Market Disruption or Extraordinary Event.

If a Market Disruption Event occurs on a day on which the Closing Price of a Reference Share is to be determined for calculating the Variable Return, the determination of that price (and possibly any subsequent payment of the Variable Return, if any) may be delayed. Fluctuations in the Closing Price of the Reference Share may occur in the interim. In certain unusual circumstances, the Calculation Agent may estimate the Closing Price of a Reference Share or replace an existing Reference Share with a new share. The occurrence of certain Extraordinary Events may delay the time at which the amount of any return is determined and may allow HSBC the option of crystallizing the amount of return payable and (if positive) paying such amount before maturity. These include events that could have an impact on HSBC’s ability to perform its obligations under the Notes or to hedge its position in respect of its obligation to make payments under the Notes. In these circumstances, the amount of return payable under the Notes, if any, will be subject to reduction to reflect the direct or indirect cost of disposing of, terminating, settling, liquidating or otherwise unwinding such arrangements.

Adjustments in Special Circumstances.

In certain circumstances, such as a Substitution Event or the merger, Nationalization or Insolvency of a Company, the Calculation Agent may replace the applicable Reference Share in the Portfolio with the security of another large issuer as chosen by the Calculation Agent. In other circumstances, such as a stock split or extraordinary dividend in respect of a Reference Share, the Calculation Agent may adjust any one or more of the Initial Price for such Reference Share, the formula for calculating the Reference Share Return of such Reference Share, or any other component or variable relevant to the determination of the Variable Return for those circumstances. Adjustments made to a component or variable relevant to the determination of the Variable Return or to the composition of the Portfolio may have a negative impact on the Reference Share Return of a Reference Share or on the Variable Amount payable (if any).

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 Reference Shares or other derivative instruments with returns linked or related to changes in the performance of the Reference Shares, 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 market price level of the Reference Shares 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. In addition, one of the Reference Shares in the notional Portfolio, HSBC Holdings Plc, is an affiliate of HSBC, the Calculation Agent and HSBC Securities, and as a result, a conflict of interest exists.

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 Reference Shares and the Companies associated therewith. 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 market price of the Reference Shares and, therefore, the market value of the Notes.

Conflicts of Interest with the Calculation Agent and HSBC Securities.

Because the Calculation Agent is an affiliate of HSBC, a potential conflict of interest may exist between the Calculation Agent and the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent must make including, among other things, the determination of the Reference Share Return and the Variable Return, adjustments as a result of certain Special Circumstances and the determination of the occurrence of a Market Disruption Event. No independent calculation agent will be retained to make or

confirm the determinations and calculations made by the Calculation Agent. In addition, as a result of its role in the secondary market, HSBC Securities, an affiliate of HSBC, will have economic interests that are adverse to Noteholders.

NOTEHOLDERS' RIGHT OF CANCELLATION

A subscriber may cancel an order to purchase a Note (or cancel the purchase of a Note if the Note has been issued) by providing instructions to HSBC or the Agent through his or her investment advisor any time up to two (2) days after the later of (i) the day on which the agreement to purchase the Note is entered into and (ii) deemed receipt of this Information Statement.

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

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

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

OTHER MATTERS

Anti-Money Laundering

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

Acknowledgment Upon Subscription

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

Notification

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

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

Fax: (416) 868-3088

with a mandatory copy to:

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

DEFINITIONS

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

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

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

“**Cap**” means 45%.

“**Closing Price**” means, in respect of a Reference Share, the official closing price for that Reference Share as announced by the Exchange, provided that, if on or after the Issue Date such Exchange materially changes the time of day at which such official closing price is determined or no longer announces such official closing price, the Calculation Agent may thereafter deem the Closing Price to be the price of that Reference Share as of the time of day used by such Exchange to determine the official closing price prior to such change or failure to announce.

“**DBRS**” means Dominion Bond Rating Service Limited.

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

“**Exchange**” means, in respect of a Reference Share, the exchange or trading system identified under "*The Portfolio*" under the heading "*Summary of the Offering*", provided that if such exchange or trading system is no longer the primary exchange for the trading of that Reference Share, as the Calculation Agent may determine, the Calculation Agent may designate another exchange or trading system as the relevant Exchange for such Reference Share.

“**Exchange Day**” means, in respect of a Reference Share, any day on which the Exchange and each Related Exchange for that Reference Share are scheduled to be open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Extraordinary Event**” has the meaning ascribed to that term under "*Special Circumstances- Extraordinary Event*".

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

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

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

“**Initial Price**” has the meaning ascribed thereto under "*Summary of the Offering*".

“**Noteholder**” means a beneficial owner of a Note.

“**Pricing Date**” has the meaning ascribed thereto under "*Summary of the Offering*".

“**Reference Shares**” means collectively, the common shares of the Companies notionally held from time to time in the Portfolio and each is a “Reference Share”, subject to the provisions set out under the heading “*Special Circumstances*”.

“**Reference Share Return**” has the meaning ascribed thereto under "*Summary of the Offering*".

“**Related Exchange**” means, in respect of a Reference Share, any exchange or trading system on which futures or options on that Reference Share are listed from time to time and as may be selected from time to time by the Calculation Agent.

“**S&P**” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and an Exchange Day, the scheduled weekday closing time of the Exchange or Related Exchange on that Exchange Day, without regard to after hours or any other trading outside of the regular trading session hours.

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

“**Tax Act**” means the *Income Tax Act* (Canada).

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

“**Valuation Price**” has the meaning ascribed thereto under "*Summary of the Offering*".

ANNEX A - THE REFERENCE SHARES

All information in this Information Statement relating to the Reference Shares and the Companies associated therewith has been taken from publicly available sources, including Bloomberg Financial Markets and the Companies' Internet web pages, on or before the date of the Information Statement and is presented herein in summary form. **Neither HSBC nor the Selling Agents have confirmed that the facts stated in this Information Statement in relation to such Companies are true and accurate. As such, HSBC, the Calculation Agent and the Selling Agents assume no responsibility for the accuracy or completeness of such information. Prospective investors are advised to make their own independent investigation as to the financial affairs and condition of the Reference Shares and the Companies associated therewith. HSBC, the Calculation Agent and the Selling Agents have no obligation to review the financial condition or affairs of the Companies or to advise of any information coming to its attention relating to such Companies or itself. There can be no guarantee that the Companies will maintain their current level of capitalization, continue to be listed on the securities exchanges listed or continue to operate their businesses with emphasis in the areas as indicated.**

The following are brief descriptions of the businesses of the Companies and the Reference Shares associated therewith. The chart accompanying each description shows the historical price performance of the Reference Shares of each Company. **Historical price performance of the Reference Shares is not an indication of future performance.**

Bank of Nova Scotia (BNS)

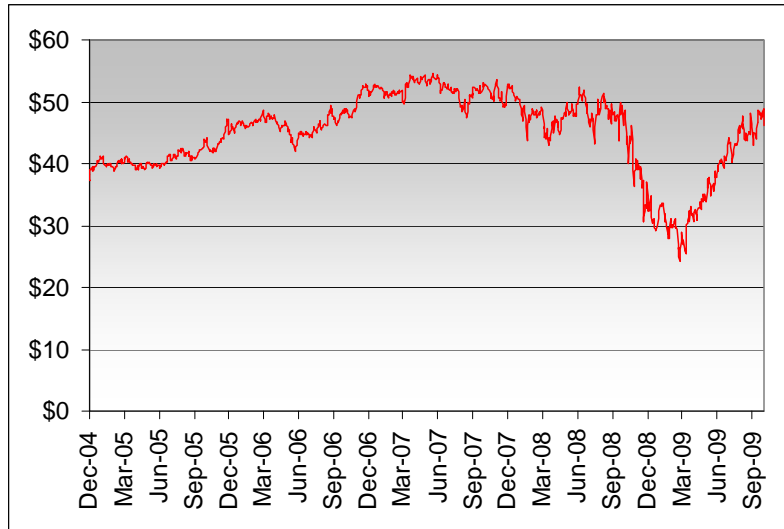
Bank of Nova Scotia provides retail, commercial, international, corporate, investment and private banking services and products.

Historical Performance of Bank of Nova Scotia

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Bank of Nova Scotia for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of Bank of Nova Scotia (in Canadian Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/04	41.30	36.41	40.70
31/03/05	41.37	38.63	39.55
30/06/05	41.72	38.79	40.54
30/09/05	44.22	40.31	43.41
30/12/05	49.80	41.60	46.14
31/03/06	48.67	45.61	46.82
30/06/06	47.19	41.55	44.22
29/09/06	49.49	44.15	48.04
29/12/06	53.39	47.00	52.10
30/03/07	54.50	49.34	53.19
29/06/07	54.73	50.84	51.89
28/09/07	53.15	46.70	52.25
31/12/07	53.50	48.66	50.28
31/03/08	50.35	42.00	46.55
30/06/08	52.51	44.45	46.67
30/09/08	51.55	41.95	48.00
31/12/08	48.86	28.61	33.31
31/03/09	34.00	23.99	31.07
30/06/09	44.50	30.30	43.42
30/09/09	49.19	39.60	48.87

The following graph sets forth the historical levels of Bank of Nova Scotia using monthly data obtained from Bloomberg, LP. **Historical levels of Bank of Nova Scotia should not be taken as an indication of future performance.**



China Construction Bank-H (939)

China Construction Bank Corporation provides a complete range of banking services and other financial services to individual and corporate customers. The bank's services include retail banking, international settlement, project finance, and credit card services.

Historical Performance of China Construction Bank-H

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of China Construction Bank-H for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of China Construction Bank-H (in Hong Kong Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
30/12/05	2.70	2.30	2.70
31/03/06	3.85	2.68	3.63
30/06/06	3.68	3.20	3.55
29/09/06	3.60	3.24	3.37
29/12/06	5.17	3.38	4.95
30/03/07	5.35	4.00	4.47
29/06/07	5.53	4.44	5.38
28/09/07	7.68	4.63	7.09
31/12/07	8.97	6.42	6.61
31/03/08	6.75	4.88	5.81
30/06/08	7.29	5.83	6.28
30/09/08	7.03	4.19	5.04
31/12/08	5.10	2.50	4.25
31/03/09	4.83	3.62	4.40

30/06/09	6.18	4.16	6.01
30/09/09	6.57	5.36	6.19

The following graph sets forth the historical levels of China Construction Bank-H using monthly data obtained from Bloomberg, LP. **Historical levels China Construction Bank-H should not be taken as an indication of future performance.**



Banco Santander SA (SAN)

Banco Santander SA attracts deposits and offers retail, commercial and private banking, and asset management services. The Bank offers consumer credit, mortgage loans, lease financing, factoring, mutual funds, pension funds, insurance, commercial credit, investment banking services, structured finance, and advice on mergers and acquisitions.

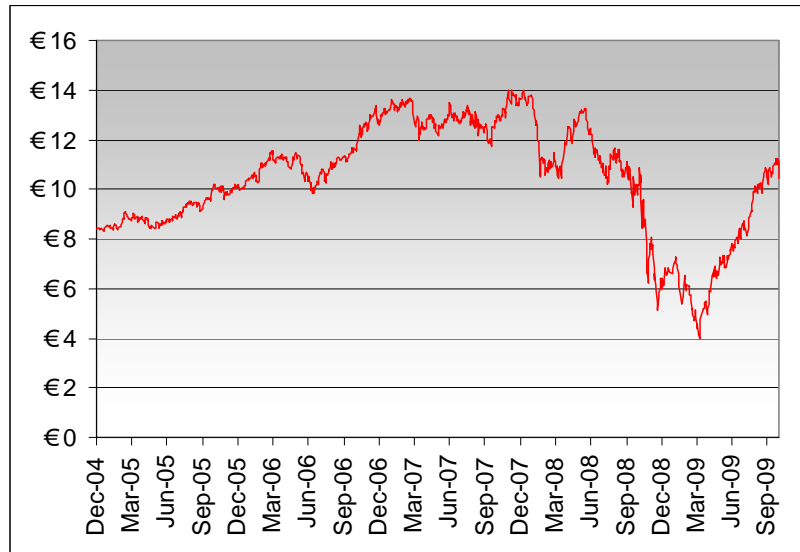
Historical Performance of Banco Santander SA

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Banco Santander SA for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of Banco Santander SA (in Euros) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/04	8.64	7.30	8.51
31/03/05	9.17	8.34	8.75
30/06/05	9.00	8.32	8.94
30/09/05	10.25	8.59	10.19
30/12/05	10.42	9.56	10.40
31/03/06	11.57	10.14	11.23
30/06/06	11.46	9.73	10.65
29/09/06	11.67	10.18	11.63
29/12/06	13.45	11.51	13.18
30/03/07	13.75	11.94	12.46
29/06/07	13.66	12.01	12.76
28/09/07	13.42	11.53	12.71

31/12/07	14.20	12.50	13.79
31/03/08	13.76	9.79	11.77
30/06/08	13.45	10.68	10.88
30/09/08	11.75	9.12	9.79
31/12/08	10.92	4.90	6.75
31/03/09	7.32	3.92	5.19
30/06/09	8.68	4.99	8.56
30/09/09	11.28	8.00	11.00

The following graph sets forth the historical levels of Banco Santander SA using monthly data obtained from Bloomberg, LP. **Historical levels of Banco Santander SA should not be taken as an indication of future performance.**



Royal Bank of Canada (RY)

Royal Bank of Canada is a diversified financial services company. The Company provides personal and commercial banking, wealth management services, insurance, corporate and investment banking, and transaction processing services. Royal Bank offers its services to personal, business, public sector and institutional clients with operations worldwide.

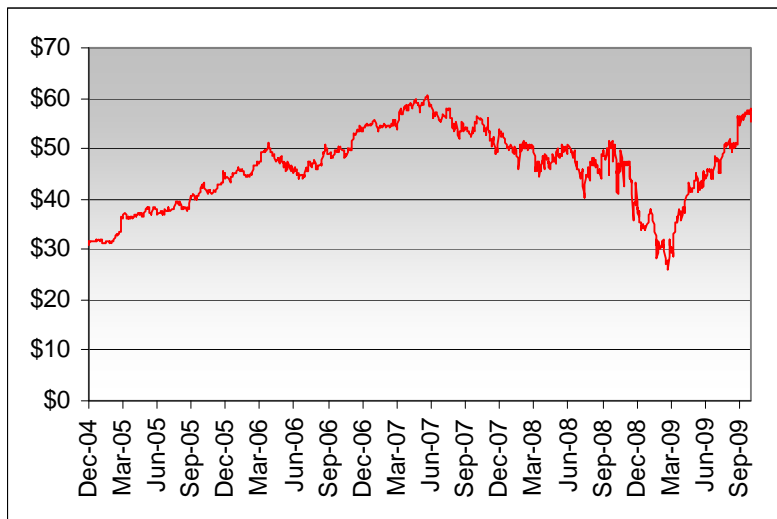
Historical Performance of Royal Bank of Canada

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Royal Bank of Canada for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of Royal Bank of Canada (in Canadian Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/04	32.20	29.76	32.13
31/03/05	37.44	31.04	36.78
30/06/05	38.63	36.30	37.95
30/09/05	43.34	37.20	42.35
30/12/05	46.50	40.63	45.41

31/03/06	51.49	44.33	49.23
30/06/06	49.94	43.52	45.32
29/09/06	51.44	45.09	49.51
29/12/06	55.82	47.90	55.50
30/03/07	58.96	52.50	57.50
29/06/07	61.08	55.00	56.62
28/09/07	58.45	50.50	55.05
31/12/07	57.00	48.55	50.74
31/03/08	51.76	42.82	47.95
30/06/08	51.22	45.00	45.83
30/09/08	51.50	39.51	50.50
31/12/08	51.45	32.90	36.10
31/03/09	38.18	25.52	36.78
30/06/09	49.05	35.51	47.57
30/09/09	58.50	44.42	57.55

The following graph sets forth the historical levels of Royal Bank of Canada using monthly data obtained from Bloomberg, L.P. **Historical levels of Royal Bank of Canada should not be taken as an indication of future performance.**



Goldman Sachs Group, Inc. (GS)

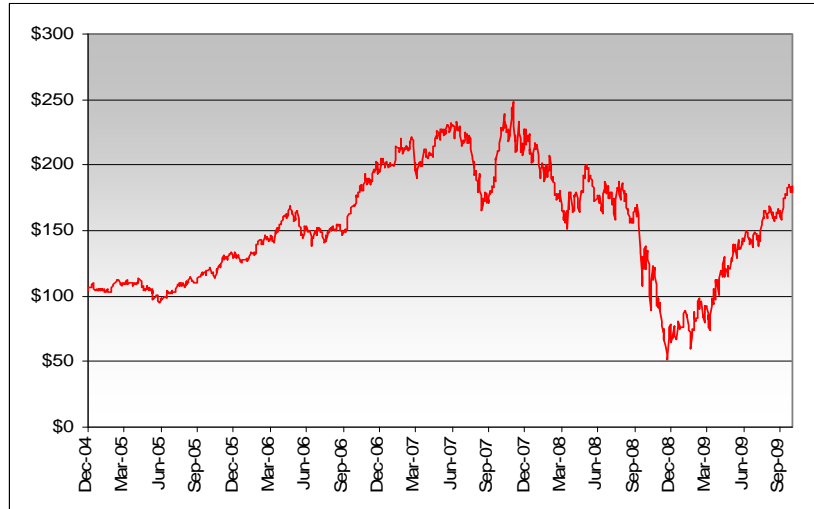
The Goldman Sachs Group, Inc., a bank holding company, is a global investment banking and securities firm specializing in investment banking, trading and principal investments, asset management and securities services. The Company provides services to corporations, financial institutions, governments, and high-net worth individuals.

Historical Performance of Goldman Sachs Group, Inc

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Goldman Sachs Group, Inc for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of Goldman Sachs Group, Inc (in US Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/2004	110.88	90.74	104.04
31/03/2005	113.93	101.79	109.99
30/06/2005	114.25	94.77	102.02
30/09/2005	121.70	102.16	121.58
30/12/2005	134.94	110.35	127.71
31/03/2006	159.62	124.25	156.96
30/06/2006	169.31	136.90	150.43
29/09/2006	171.15	139.00	169.17
29/12/2006	206.39	168.51	199.35
30/03/2007	222.75	189.85	206.63
29/06/2007	233.94	203.29	216.75
28/09/2007	225.76	157.38	216.74
31/12/2007	250.70	197.10	215.05
31/03/2008	215.05	140.27	165.39
30/06/2008	203.30	161.22	174.90
30/09/2008	190.00	86.85	128.00
31/12/2008	142.00	47.44	84.39
31/03/2009	115.64	59.13	106.02
30/06/2009	151.17	103.95	147.44
30/09/2009	188.00	135.24	184.35

The following graph sets forth the historical levels of Goldman Sachs Group, Inc using monthly data obtained from Bloomberg, LP. **Historical levels of Goldman Sachs Group, Inc should not be taken as an indication of future performance.**



Toronto Dominion Bank (TD)

The Toronto Dominion Bank conducts a general banking business through banking branches and offices located throughout Canada and overseas. The Bank and other subsidiaries offer a broad range of banking, advisory services, and discount brokerage to individuals, businesses, financial institutions, governments, and multinational corporations.

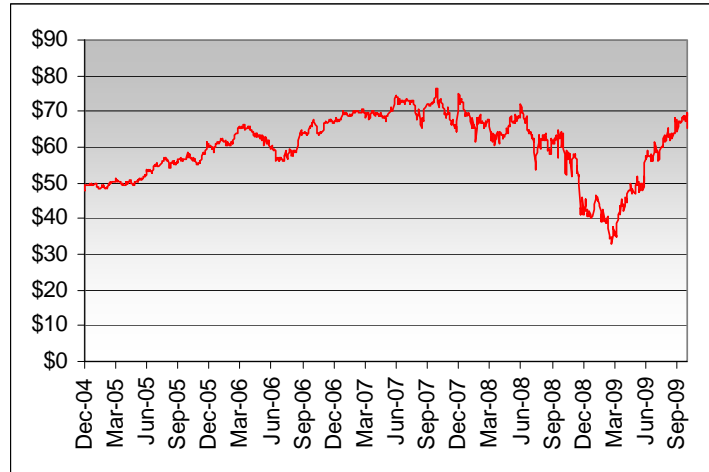
Historical Performance of Toronto Dominion Bank

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Toronto Dominion Bank for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of Toronto Dominion Bank (in Canadian Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/04	50.10	45.94	49.92
31/03/05	51.70	48.08	50.10
30/06/05	56.20	49.09	54.64
30/09/05	59.03	54.09	57.32
30/12/05	62.79	54.75	61.13
31/03/06	66.85	60.20	65.07
30/06/06	65.35	55.62	56.68
29/09/06	66.93	56.00	66.42
29/12/06	70.21	62.80	69.72
30/03/07	71.61	67.21	69.42
29/06/07	74.89	66.55	72.86
28/09/07	77.10	64.02	76.30
31/12/07	76.50	64.18	69.50
31/03/08	69.37	58.57	63.11
30/06/08	72.11	62.00	64.25
30/09/08	66.27	53.05	64.08
31/12/08	63.67	38.33	43.45

31/03/09	47.00	32.37	43.46
30/06/09	61.72	42.14	60.09
30/09/09	70.00	55.43	69.25

The following graph sets forth the historical levels of Toronto Dominion Bank using monthly data obtained from Bloomberg, LP. **Historical levels of Toronto Dominion Bank should not be taken as an indication of future performance.**



Standard Chartered PLC (STAN)

Standard Charter PLC is an international banking group operating principally in Asia, Africa, Latin America and the Middle East. The Company offers its products and services in the personal, consumer, corporate, institutional and treasury areas, to customers in more than 50 countries.

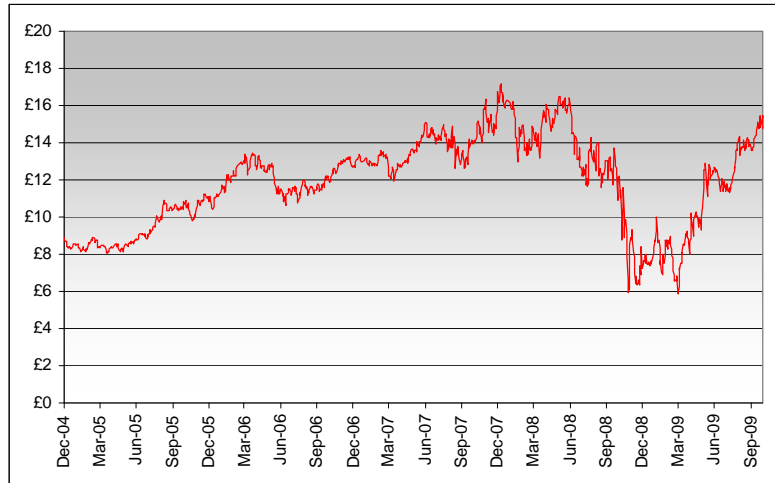
Historical Performance of Standard Chartered

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Standard Chartered for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of Standard Chartered (in British Pounds) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/2004	9.09	8.29	8.48
31/03/2005	8.95	8.01	8.33
30/06/2005	9.23	8.10	8.93
30/09/2005	11.03	8.86	10.71
30/12/2005	11.35	9.72	11.34
31/03/2006	13.99	11.27	12.53
30/06/2006	13.43	10.45	11.55
29/09/2006	12.41	10.60	11.97
29/12/2006	13.44	11.76	13.06
30/03/2007	13.59	11.56	12.81
29/06/2007	15.43	12.63	14.27
28/09/2007	15.03	12.36	14.01
31/12/2007	17.29	13.79	16.14
31/03/2008	16.44	11.76	15.07
30/06/2008	16.66	12.32	12.52
30/09/2008	15.32	10.74	11.77

31/12/2008	12.60	5.82	8.75
31/03/2009	10.05	5.54	8.67
30/06/2009	13.37	8.47	11.40
30/09/2009	15.55	11.19	15.42

The following graph sets forth the historical levels of Standard Chartered using monthly data obtained from Bloomberg, LP. **Historical levels of Standard Chartered should not be taken as an indication of future performance.**



Bank of America Corporation (BAC)

Bank of America Corporation accepts deposits and offers banking, investing, asset management, and other financial and risk-management products and services. The Company has a mortgage lending subsidiary, and an investment banking and securities brokerage subsidiary.

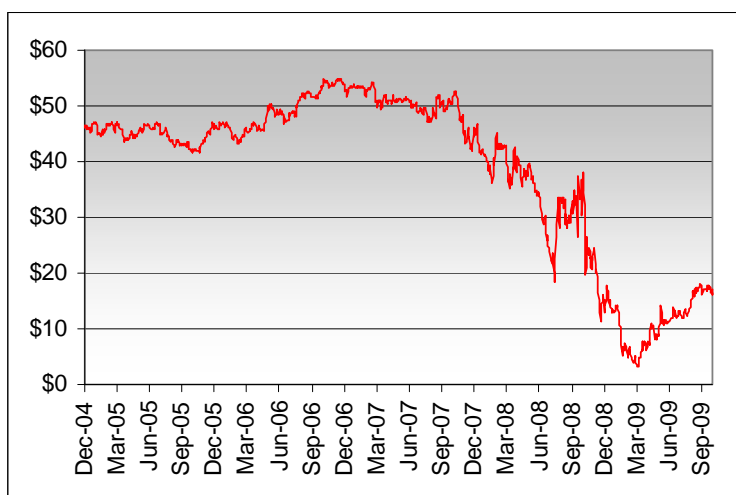
Historical Performance of Bank of America

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Bank of America Corporation for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of Bank of America Corporation (in US Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/04	47.47	42.94	46.99
31/03/05	47.20	43.43	44.10
30/06/05	47.42	43.47	45.61
30/09/05	46.05	41.14	42.10
30/12/05	47.25	41.38	46.15
31/03/06	47.20	42.98	45.54
30/06/06	50.50	45.26	48.10
29/09/06	54.00	47.59	53.57
29/12/06	55.08	51.32	53.39
30/03/07	54.21	48.36	51.02
29/06/07	52.20	48.55	48.89
28/09/07	52.77	46.52	50.27

31/12/07	52.95	40.61	41.26
31/03/08	45.08	33.25	37.91
30/06/08	41.37	23.65	23.87
30/09/08	38.85	18.44	35.00
31/12/08	38.50	10.01	14.08
31/03/09	14.81	2.53	6.82
30/06/09	15.06	6.45	13.20
30/09/09	18.25	11.27	16.92

The following graph sets forth the historical levels of Bank of America Corporation using monthly data obtained from Bloomberg, LP. **Historical levels of Bank of America Corporation should not be taken as an indication of future performance.**



HSBC Holdings Plc - HK (5)

HSBC Holdings Plc is the holding company for the HSBC Group. The Company provides a variety of international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking and insurance. The Group operates worldwide. HSBC Holdings Plc is an affiliate of HSBC, the Calculation Agent and HSBC Securities, and, as such, a conflict of interest exists. See “Risk Factors”.

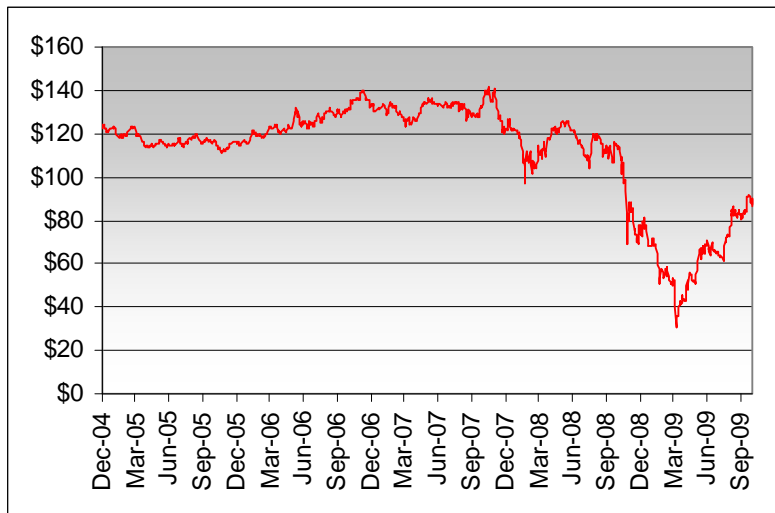
Historical Performance of HSBC Holdings Plc - HK

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of HSBC Holdings Plc - HK for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent verification by us. **Historical levels of HSBC Holdings Plc - HK (in Hong Kong Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
31/12/04	126.40	114.82	123.16
31/03/05	124.08	113.44	114.82
30/06/05	117.60	112.97	115.75
30/09/05	119.92	113.81	116.86
30/12/05	117.23	111.12	115.29

31/03/06	124.36	115.01	120.29
30/06/06	131.86	120.29	126.03
29/09/06	132.23	124.45	131.59
29/12/06	140.75	129.64	132.05
30/03/07	135.01	122.97	125.75
29/06/07	136.86	126.03	131.96
28/09/07	135.94	121.77	131.68
31/12/07	142.14	119.82	121.95
31/03/08	122.14	96.30	117.42
30/06/08	127.05	111.49	111.95
30/09/08	120.84	98.53	112.79
31/12/08	115.19	67.04	68.25
31/03/09	72.23	30.56	42.65
30/06/09	70.85	42.60	65.65
30/09/09	92.65	61.00	89.90

The following graph sets forth the historical levels of HSBC Holdings Plc - HK using monthly data obtained from Bloomberg, LP. **Historical levels of HSBC Holdings Plc - HK should not be taken as an indication of future performance.**



Bank of China Ltd - H (3988)

Bank of China Ltd - H provides a complete range of banking and other financial services to individual and corporation customers worldwide. The bank's services include retail banking, Great wall credit card and debit card services, consumer credit, foreign currency transaction, corporate banking, settlement and clearing, investment banking and fund management business.

Historical Performance of Bank of China Ltd - H

The following table sets forth the quarterly high and low intraday levels, as well as end-of-quarter closing levels, of Bank of China Ltd - H for each of the quarters indicated below. We obtained the data in the following table from Bloomberg, LP, without independent

verification by us. **Historical levels of Bank of China Ltd - H (in Hong Kong Dollars) should not be taken as an indication of future performance.**

Quarter Ending	Quarter High	Quarter Low	Quarter Close
30/06/2006	3.58	2.95	3.53
29/09/2006	3.68	3.32	3.35
29/12/2006	4.28	3.32	4.27
30/03/2007	4.60	3.56	3.89
29/06/2007	4.13	3.71	3.88
28/09/2007	4.48	3.25	4.16
31/12/2007	5.27	3.71	3.78
31/03/2008	3.79	2.91	3.32
30/06/2008	4.13	3.33	3.47
30/09/2008	3.67	2.59	2.95
31/12/2008	3.06	1.70	2.12
31/03/2009	2.69	1.82	2.57
30/06/2009	3.82	2.52	3.69
30/09/2009	4.46	3.41	4.08

The following graph sets forth the historical levels of Bank of China Ltd - H using monthly data obtained from Bloomberg, LP. **Historical levels of Bank of China Ltd - H should not be taken as an indication of future performance.**

