Amended and Restated Prospectus Supplement to the Short Form Base Shelf Prospectus dated March 27, 2007 (amending and restating the prospectus supplement dated March 24, 2009)

This prospectus supplement, together with the short form base shelf prospectus dated March 27, 2007 to which it relates, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

Information has been incorporated by reference in this short form prospectus supplement from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of HSBC Bank Canada at the following address: Suite 900, 888 Dunsmuir Street, Vancouver, British Columbia, V6C 3K4 (telephone: (604) 641-2555) and are also available electronically at www.sedar.com. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Corporate Secretary of HSBC Bank Canada at the above-mentioned address and telephone number and is also available electronically at www.sedar.com.

These securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act"), as amended, and may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of U.S. persons (as defined in the Regulation S under the 1933 Act). See "Plan of Distribution".

New Issue April 2, 2009

Amended and Restated Prospectus Supplement



(a Canadian chartered bank)

\$175,000,000 7,000,000 Non-Cumulative 5-Year Rate Reset Class 1 Preferred Shares Series E

This amended and restated prospectus supplement (the "Prospectus Supplement") to the short form base shelf prospectus (the "Prospectus") of HSBC Bank Canada (the "Bank") dated March 27, 2007 amends and restates the prospectus supplement of the Bank dated March 24, 2009 (the "Original Prospectus Supplement"). The Prospectus Supplement supercedes the Original Prospectus Supplement in its entirety. The offering under this Prospectus Supplement consists of 7,000,000 Non-Cumulative 5-Year Rate Reset Class 1 Preferred Shares Series E (the "Series E Shares"). The holders of the Series E Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, if, as and when declared by the board of directors of the Bank (the "Board of Directors"), for the initial period from and including the closing date of this offering to but excluding June 30, 2014 (the "Initial Fixed Rate Period"), payable on the last day of March, June, September and December in each year (each three-month period ending on the last day of each such month, a "Quarter"), at a per annum rate of 6.60% per share, or \$0.4125 per share per Quarter. Based on the anticipated closing date of this offering of April 8, 2009, the first dividend per Series E Share, if, as and when declared, will be payable on June 30, 2009 in respect of the period from and including April 8, 2009 to but excluding June 30, 2009, in the amount of \$0.3762 per share. See "Details of the Offering".

For each five-year period after the Initial Fixed Rate Period (each a "Subsequent Fixed Rate Period"), the holders of the Series E Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors, payable on the last day of March, June, September and December in each year in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period will be determined by the Bank on the Fixed Rate Calculation Date (as defined herein) and will be equal to the sum of the Government of Canada Yield (as defined herein) on the Fixed Rate Calculation Date plus 4.85%. See "Details of the Offering".

Option to Convert Into Series F Shares

The holders of the Series E Shares will have the right, at their option, to convert their shares into Non-Cumulative Floating Rate Class 1 Preferred Shares Series F of the Bank (the "Series F Shares"), subject to certain conditions, on June 30, 2014 and on June 30 every five years thereafter. The holders of the Series F Shares will be entitled to receive quarterly floating rate non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors, payable on the last day of March, June, September and December in each year (the initial quarterly dividend period and each subsequent quarterly dividend period is referred to as a "Quarterly Floating Rate Period") in an amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate (as defined herein) by \$25.00. The Floating Quarterly Dividend Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 4.85% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the Floating Rate Calculation Date (as defined herein). See "Details of the Offering".

The Bank has applied to list the Series E Shares and the Series F Shares on the Toronto Stock Exchange (the "TSX"). Listing will be subject to the Bank fulfilling all of the requirements of the TSX.

PRICE: \$25.00 per Series E Share to Yield Initially 6.60%

Subject to the provisions of the *Bank Act* (Canada) (the "Bank Act"), and with the consent of (i) the Superintendent of Financial Institutions (Canada) (the "Superintendent"), (ii) the Financial Services Authority (United Kingdom) (the "FSA"), and (iii) the Board of Governors of the Federal Reserve (United States) (the "Federal Reserve"), on and after June 30, 2014 and on June 30 every five years thereafter, the Bank may redeem, all, or any of the then outstanding Series E Shares, at the Bank's option without the consent of the holder on not less than 30 days' and not more than 60 days' prior notice upon payment per share so redeemed of \$25.00 in cash together with an amount equal to the sum (the "Accrued Amount") of (i) all declared and unpaid dividends in respect of the completed Quarters preceding the date fixed for redemption, and (ii) an amount equal to the cash dividend in respect of the Quarter in which the redemption occurs, whether declared or not, pro rated (if applicable) to such date. See "Details of the Offering".

HSBC Securities (Canada) Inc., Scotia Capital Inc., RBC Dominion Securities Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Desjardins Securities Inc., Blackmont Capital Inc., Brookfield Financial Corp., Canaccord Capital Corporation, Dundee Securities Corporation and Raymond James Ltd. (collectively, the "Underwriters"), as principals, conditionally offer the Series E Shares, subject to prior sale, if, as and when issued by the Bank and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to approval of certain legal matters on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Underwriters by Stikeman Elliott LLP. HSBC Securities (Canada) Inc., one of the Underwriters, is a wholly-owned subsidiary of the Bank. By virtue of such ownership, the Bank is a related and connected issuer of HSBC Securities (Canada) Inc. under applicable securities legislation. See "Plan of Distribution".

	Price to the Public		Underwriters' Fee ⁽¹⁾		Net Proceeds to the Bank ⁽²⁾	
Per Series E Share	\$	25.00	\$	0.75	\$	24.25
Total ⁽³⁾	\$175,000,000		\$5,250,000		\$169,750,000	

⁽¹⁾ The Underwriters' Fee is \$0.25 for each Series E Share sold to certain institutions and \$0.75 per Series E Share for all other shares sold. The Underwriters' Fee set forth in the table above assumes that no shares are sold to such institutions.

In connection with this offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Series E Shares in accordance with applicable market stabilization rules. The Underwriters may offer the Series E Shares at a lower price than stated above. See "Plan of Distribution".

It is expected that the closing date will be on or about April 8, 2009 or such later date as the Bank and the Underwriters may agree, but in any event not later than April 14, 2009. A book-entry only certificate representing the Series E Shares will be issued in registered form only to CDS Clearing and Depository Services Inc. ("CDS"), or its nominee, and will be deposited with CDS on closing of this offering. A purchaser of the Series E Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Series E Shares are purchased. See "Details of the Offering — Depository Services".

⁽²⁾ Before deduction of expenses of the issue estimated at \$450,000, which, together with the Underwriters' Fee, are payable by the Bank.

⁽³⁾ The Underwriters have been granted an option to purchase an additional 3,000,000 Series E Shares (the "Option Shares") at the offering price hereunder, exerciseable at any time before 8:30 a.m. (Toronto time) on the date that is two business days prior to the closing of this offering. This Prospectus Supplement also qualifies the distribution of the Option Shares. If the Underwriters purchase all of the Option Shares, the total Price to the Public, Underwriters' Fee and Net Proceeds to the Bank will be \$250,000,000, \$7,500,000 and \$242,500,000, respectively (assuming no shares are sold to those certain institutions referred to in Note (1) above). See "Plan of Distribution".

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the Prospectus are used herein with the meanings defined therein.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the Prospectus, including the documents incorporated by reference, include forward-looking statements with respect to the Bank, including its business operations and strategy and financial performance and condition. These statements generally can be identified by the use of forward-looking words such as "may", "could", "should", "would", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue", or the negative thereof or similar variations. Although management of the Bank believes that the expectations reflected in such forward-looking statements are reasonable and represent the Bank's projections, expectations and belief at this time, such statements involve unknown risks and uncertainties which may cause the Bank's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the Bank's expectations include, among other things, general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, difficulties in developing or enhancing new or existing distribution channels or products, and other factors discussed or referenced herein. See "Risk Factors" in this Prospectus Supplement and in the Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Stikeman Elliott LLP, counsel to the Underwriters, the Series E Shares to be issued under this Prospectus Supplement, if issued on the date hereof, would be, on such date, qualified investments under the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, registered education savings plans, deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan to which contributions are made by the Bank or by a corporation with which the Bank does not deal at an arm's length within the meaning of the Tax Act), and tax-free savings accounts.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the offering of the Series E Shares. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for the full particulars thereof.

In addition, the following documents filed with the Superintendent and the various securities commissions or similar authorities in Canada, are incorporated by reference into this Prospectus Supplement:

- (i) the Bank's annual information form dated March 13, 2009; and
- (ii) the Bank's audited consolidated financial statements for the fiscal year ended December 31, 2008 with comparative consolidated financial statements for the fiscal year ended December 31, 2007, together with the

auditors' report thereon, and management's discussion and analysis as contained in the Bank's annual report for the year ended December 31, 2008.

Any statement contained in this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

DETAILS OF THE OFFERING

The following is a summary of certain provisions attaching to the Series E Shares as a series and the Series F Shares as a series, each of which represents a series of Class 1 Preferred Shares of the Bank. See "Description of the Class 1 Preferred Shares" in the Prospectus for a description of the general terms and provisions of the Class 1 Preferred Shares of the Bank as a class.

Certain Provisions of the Series E Shares as a Series

Definition of Terms

The following definitions are relevant to the Series E Shares.

"Annual Fixed Dividend Rate" means, for any Subsequent Fixed Rate Period, the rate of interest (expressed as a percentage rate rounded down to the nearest one hundred — thousandth of one percent (with 0.000005% being rounded up)) equal to the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.85%.

"Fixed Rate Calculation Date" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"Government of Canada Yield" on any date shall mean the yield to maturity on such date (assuming semiannual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR <INDEX> Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR <INDEX> Page on such date, the Government of Canada Yield will mean the arithmetic average of the yields quoted to the Bank by two registered Canadian investment dealers selected by the Bank as being the annual yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity of five years.

"Initial Fixed Rate Period" means the period from and including the closing date of this offering to but excluding June 30, 2014.

"New Preferred Shares" has the meaning set out under "Conversion of Series E Shares into Another Series of Preferred Shares at the Option of the Holder".

"Subsequent Fixed Rate Period" means for the initial Subsequent Fixed Rate Period, the period from and including June 30, 2014 to but excluding June 30, 2019, and for each succeeding Subsequent Fixed Rate Period, the period from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding June 30 in the fifth year thereafter.

Issue Price

The Series E Shares will have an issue price of \$25.00 per share.

Dividends on Series E Shares

During the Initial Fixed Rate Period, the holders of the Series E Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends at a per annum rate of 6.60%, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable on the last day of March, June, September and December in each year.

Such quarterly cash dividends, if declared, will be \$0.4125 per share. The first dividend per Series E Share, if, as and when declared, will be payable on June 30, 2009 in respect of the period from and including April 8, 2009 to but excluding June 30, 2009, in the amount of \$0.3762 per share, based on the anticipated closing date of this offering of April 8, 2009.

During each Subsequent Fixed Rate Period, the holders of the Series E Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable on the last day of March, June, September and December in each year, in an amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Dividend Rate applicable to a Subsequent Fixed Rate Period will be determined by the Bank on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Bank and upon all holders of Series E Shares. The Bank will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Dividend Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series E Shares.

If the Board of Directors of the Bank does not declare a dividend, or any part thereof, on the Series E Shares on or before the dividend payment date therefor, then the rights of the holders of the Series E Shares to such dividend, or to any part thereof, will be extinguished.

Redemption of Series E Shares

The Series E Shares will not be redeemable prior to June 30, 2014. Subject to the provisions of the Bank Act, all applicable securities laws and the rules of any securities exchange upon which the Series E Shares are listed and posted for trading and with the prior consent of the Superintendent, the FSA and the Federal Reserve, and to the provisions described below under "Restrictions on Dividends and Retirement of Series E Shares", on June 30, 2014 and on June 30 every five years thereafter, the Bank may redeem all or any part of the then outstanding Series E Shares, at the Bank's option without the consent of the holder, by the payment in cash of a sum per share so redeemed equal to \$25.00 together with an amount equal to the Accrued Amount to the date fixed for redemption.

Notice of any redemption of the Series E Shares will be given in writing by the Bank not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series E Shares are at any time to be redeemed, the shares to be redeemed will be selected *pro rata* disregarding fractions or in such other manner as the Bank may determine.

Conversion of Series E Shares into Series F Shares

Holders of Series E Shares will have the right, at their option, on June 30, 2014 and on June 30 every five years thereafter (each a "Series E Conversion Date"), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Bank of evidence of payment of the tax (if any) payable, all or any of their Series E Shares into Series F Shares on the basis of one Series F Share for each Series E Share. Notice of a holder's intention to convert Series E Shares must be received by the Bank not earlier than the 30th day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series E Conversion Date.

The Bank will, not more than 60 and not less than 30 days prior to the applicable Series E Conversion Date, give notice in writing to the then registered holders of the Series E Shares of the above-mentioned conversion right. On the 30th day prior to each Series E Conversion Date, the Bank will give notice in writing to the then registered holders of the Series E Shares of the Annual Fixed Dividend Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series F Shares for the next succeeding Quarterly Floating Rate Period.

Holders of Series E Shares will not be entitled to convert their shares into Series F Shares if the Bank determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series F Shares, after having taken into account all Series E Shares tendered for conversion into Series F Shares and all Series F Shares tendered for conversion into Series E Shares. The Bank will give notice in writing thereof to all registered holders of the Series E Shares at least seven days prior to the applicable Series E Conversion Date. Furthermore, if the Bank determines that there would remain outstanding on a Series E Conversion Date less than 1,000,000 Series E Shares, after having taken into account all Series E Shares tendered for conversion into Series E Shares, then, all, but not part, of the remaining outstanding Series E Shares will automatically be converted into Series F Shares on the basis of one Series F Share for each Series E Share on the applicable Series E Conversion Date and the Bank will give

notice in writing thereof to the then registered holders of such remaining Series E Shares at least seven days prior to the Series E Conversion Date.

Upon exercise by the holder of this right to convert Series E Shares into Series F Shares, the Bank reserves the right not to issue Series F Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction, or to any person who, by virtue of such conversion, would become a person who beneficially owns, directly or indirectly, in excess of 10% of the total number of outstanding Class 1 Preferred Shares. In addition, the obligation of the Bank to issue Series F Shares upon conversion of any Series E Shares shall continue but be deferred if (i) the issuance of such Series F Shares is prohibited pursuant to any agreement or arrangement entered into by the Bank to assure its solvency or continued operations; (ii) the issuance of such Series F Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Bank; (iii) for any reason beyond its control, the Bank shall be unable to issue or deliver Series F Shares; or (iv) the Bank, in its sole discretion, has determined to require from the holder of such Series E Shares a declaration to establish compliance with ownership restrictions under the Bank Act, and such holder has been requested to provide and has not provided the Bank with such a declaration in form and substance satisfactory to the Bank. See also "Bank Act Restrictions", "Additional Restrictions on Declaration of Dividends" and "Restraints on Bank Shares under the Bank Act" in the Prospectus.

If the Bank gives notice to the registered holders of the Series E Shares of the redemption of all the Series E Shares, the Bank will not be required to give notice as provided hereunder to the registered holders of the Series E Shares of an Annual Fixed Dividend Rate, a Floating Quarterly Dividend Rate or of the conversion right of holders of Series E Shares and the right of any holder of Series E Shares to convert such Series E Shares will cease and terminate in that event.

Conversion of Series E Shares into Another Series of Preferred Shares at the Option of the Holder

Subject to the provisions of the Bank Act, and with the prior consent of the Superintendent, the FSA and the Federal Reserve, the Bank may at any time on and after June 30, 2014 give holders of the Series E Shares notice that they have the right, pursuant to the terms of the Series E Shares, at their option, to convert their Series E Shares on the date specified in the notice into fully-paid New Preferred Shares (as hereinafter defined) on a share for share basis. Notice shall be given by the Bank in writing not more than 60 and not less than 30 days prior to such conversion date.

"New Preferred Shares" means a further series of Class 1 Preferred Shares constituted by the Board of Directors having rights, privileges, restrictions and conditions attaching thereto which would qualify such New Preferred Shares as Tier 1 capital or equivalent of the Bank under the then current capital adequacy guidelines prescribed by the Superintendent if applicable, and if not applicable, having such rights, privileges, restrictions and conditions as the Board of Directors may determine, provided that in each case such New Preferred Shares will not, if issued, be or be deemed to be "short term preferred shares" within the meaning of the Tax Act.

Upon exercise by the holder of this right to convert Series E Shares into New Preferred Shares, the Bank reserves the right not to issue New Preferred Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction, or to any person who, by virtue of such conversion, would become a person who beneficially owns, directly or indirectly, in excess of 10% of the total number of outstanding Class 1 Preferred Shares. In addition, the obligation of the Bank to issue New Preferred Shares upon conversion of any Series E Shares shall continue but be deferred if (i) the issuance of such New Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Bank to assure its solvency or continued operations; (ii) the issuance of such New Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Bank; (iii) for any reason beyond its control, the Bank shall be unable to issue or deliver New Preferred Shares; or (iv) the Bank, in its sole discretion, has determined to require from the holder of such Series E Shares a declaration to establish compliance with ownership restrictions under the Bank Act, and such holder has been requested to provide and has not provided the Bank with such a declaration in form and substance satisfactory to the Bank. See also "Bank Act Restrictions", "Additional Restrictions on Declaration of Dividends" and "Restraints on Bank Shares under the Bank Act" in the Prospectus.

Purchase for Cancellation

Subject to the provisions of the Bank Act, all applicable securities laws and the rules of any securities exchange upon which the Series E Shares are listed and posted for trading and with the prior consent of the Superintendent, the FSA and the Federal Reserve, and to the provisions described below under "Restrictions on Dividends and Retirement of Series E

Shares", the Bank may at any time purchase for cancellation any Series E Shares at the lowest price or prices at which, in the opinion of the Bank, such shares are obtainable.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Bank, the holders of the Series E Shares will be entitled to receive a sum per share equal to \$25.00, together with the amount of declared and unpaid dividends to the date of payment, before any amount shall be paid or any assets of the Bank distributed to the holders of the Bank's common shares (the "Common Shares"), Class 2 Preferred Shares or any other class of shares in the capital of the Bank ranking junior to the Series E Shares. The Series E Shares will rank on a parity with Class 1 Preferred Shares of every other series. The holders of the Series E Shares will not be entitled to share in any further distribution of the assets of the Bank.

Restrictions on Dividends and Retirement of Series E Shares

So long as any Series E Shares are outstanding, the Bank will not, without the approval of the holders of the Series E Shares given as specified below:

- (a) declare any dividend on the Common Shares or any other shares ranking junior to the Series E Shares (other than stock dividends on shares ranking junior to the Series E Shares); or
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series E Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series E Shares); or
- (c) redeem, purchase or otherwise retire: (i) less than all of the Series E Shares; or (ii) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, any other shares ranking prior to or on a parity with the Series E Shares;

unless, in each case, all dividends on the Series E Shares up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or on a parity with the Series E Shares, have been declared and paid or set apart for payment.

Issuance of Additional Series of Class 1 Preferred Shares and Amendment of Series E Share Provisions

The Bank may not, without the prior approval of the holders of the Class 1 Preferred Shares (in addition to such approvals as may be required by the Bank Act, from the Superintendent, the FSA and the Federal Reserve, or any other legal requirement), (i) create or issue any shares ranking in priority to the Class 1 Preferred Shares, or (ii) create or issue any additional series of Class 1 Preferred Shares or any shares ranking *pari passu* with the Class 1 Preferred Shares, unless at the date of such creation or issuance all cumulative dividends up to and including the last completed period for which such cumulative dividends shall be payable, shall have been declared and paid or set apart for payment in respect of each series of cumulative Class 1 Preferred Shares then issued and outstanding and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment in respect of each series of non-cumulative Class 1 Preferred Shares then issued and outstanding. Currently, there are no outstanding Class 1 Preferred Shares which carry the right to cumulative dividends.

The provisions attaching to the Series E Shares may not be deleted or varied without such approval as may then be required by the Bank Act, subject to a minimum requirement for approval by at least two-thirds of the votes cast at a meeting of the holders of Series E Shares duly called for the purpose or by the signature of the holders of at least two-thirds of the Series E Shares outstanding. In addition to the aforementioned approval, the Bank will not without, but may from time to time with, the prior approval of the Superintendent, the FSA and the Federal Reserve, if required, make any such deletion or variation which might affect the classification afforded to the Series E Shares from time to time for capital adequacy requirements pursuant to the Bank Act, the regulations and guidelines thereunder, and any other legal requirement.

Voting Rights

The holders of the Series E Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of the Bank unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under "Dividends on Series E Shares" above. In that event, the holders of the Series E Shares will be entitled to receive notice of, and to attend, all meetings of the shareholders at which directors are to be elected and will be entitled to one vote for each share held. The voting rights of the holders of the Series E Shares

shall forthwith cease upon the first payment by the Bank of a dividend on the Series E Shares to which the holders are entitled subsequent to the time such voting rights arose. At such time as the rights of such holders to any undeclared dividends on the Series E Shares have again been extinguished, such voting rights will become effective again and so on from time to time.

No Pre-Emptive Rights

The holders of the Series E Shares will not be entitled as of right to subscribe for or purchase or receive any part of any future issue of shares, bonds, debentures or other securities of the Bank.

Tax Election

The Series E Shares will be "taxable preferred shares" as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Series E Shares. The terms of the Series E Shares require the Bank to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series E Shares. See "Canadian Federal Income Tax Considerations".

Business Day

If any action is required to be taken by the Bank on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

Certain Provisions of the Series F Shares as a Series

Definition of Terms

The following definitions are relevant to the Series F Shares.

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the rate of interest (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.85% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

"Floating Rate Calculation Date" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"New Preferred Shares" has the meaning set out above under "Conversion of Series E Shares into Another Series of Preferred Shares at the Option of the Holder".

"Quarterly Commencement Date" means the last day of March, June, September and December in each year, commencing June 30, 2014.

"Quarterly Floating Rate Period" means, for the initial Quarterly Floating Rate Period, the period from and including June 30, 2014 to but excluding the next following Quarterly Commencement Date, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"T-Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

Dividends on Series F Shares

The holders of the Series F Shares will be entitled to receive quarterly floating rate non-cumulative preferential cash dividends, if, as and when declared by the Board of Directors, subject to the provisions of the Bank Act, payable on the last day of March, June, September and December in each year. Such quarterly cash dividends, if declared, will be in an amount per share determined by multiplying the applicable Floating Quarterly Dividend Rate by \$25.00.

The Floating Quarterly Dividend Rate for each Quarterly Floating Rate Period will be determined by the Bank on the Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon the Bank and upon all holders of Series F Shares. The Bank will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to all registered holders of the then outstanding Series F Shares.

If the Board of Directors of the Bank does not declare a dividend, or any part thereof, on the Series F Shares on or before the dividend payment date therefor, then the rights of the holders of the Series F Shares to such dividend, or to any part thereof, will be extinguished.

Redemption of Series F Shares

The Series F Shares will not be redeemable prior to June 30, 2014. Subject to the provisions of the Bank Act, all applicable securities laws and the rules of any securities exchange upon which the Series F Shares are listed and posted for trading and with the prior consent of the Superintendent, the FSA and the Federal Reserve, and to the provisions described below under "Restrictions on Dividends and Retirement of Series F Shares", the Bank may redeem all or any part of the then outstanding Series F Shares, at the Bank's option without the consent of the holder, by the payment in cash of a sum per share so redeemed equal to (i) \$25.00 in the case of redemptions on June 30, 2019 and on June 30 every five years thereafter, or (ii) \$25.50 in the case of redemptions on any other date on or after June 30, 2014, together, in each case, with an amount equal to the Accrued Amount to the date fixed for redemption.

Notice of any redemption of the Series F Shares will be given in writing by the Bank not more than 60 days and not less than 30 days prior to the date fixed for redemption. If less than all of the outstanding Series F Shares are at any time to be redeemed, the shares to be redeemed will be selected *pro rata* disregarding fractions or in such other manner as the Bank may determine.

Conversion of Series F Shares into Series E Shares

Holders of Series F Shares will have the right, at their option, on June 30, 2019 and on June 30 every five years thereafter (each a "Series F Conversion Date"), to convert, subject to the restrictions on conversion described below and the payment or delivery to the Bank of evidence of payment of the tax (if any) payable, all or any of their Series F Shares into Series E Shares on the basis of one Series E Share for each Series F Share. Notice of a holder's intention to convert Series F Shares must be received by the Bank not earlier than the day prior to, but not later than 5:00 p.m. (Toronto time) on the 15th day preceding, a Series F Conversion Date.

The Bank will, not more than 60 and not less than 30 days prior to the applicable Series F Conversion Date, give notice in writing to the then registered holders of the Series F Shares of the above-mentioned conversion right. On the 30th day prior to each Series F Conversion Date, the Bank will give notice in writing to the then registered holders of the Series F Shares of the Annual Fixed Dividend Rate applicable to the Series E Shares for the next succeeding Subsequent Fixed Rate Period.

Holders of Series F Shares will not be entitled to convert their shares into Series E Shares if the Bank determines that there would remain outstanding on a Series F Conversion Date less than 1,000,000 Series E Shares, after having taken into account all Series F Shares tendered for conversion into Series E Shares and all Series E Shares tendered for conversion into Series F Shares. The Bank will give notice in writing thereof to all registered holders of the Series F Shares at least seven days prior to the applicable Series F Conversion Date. Furthermore, if the Bank determines that there would remain outstanding on a Series F Conversion Date less than 1,000,000 Series F Shares, after having taken into account all Series F Shares tendered for conversion into Series E Shares and all Series E Shares tendered for conversion into Series F Shares, then, all, but not part, of the remaining outstanding Series F Shares will automatically be converted into Series E Shares on the basis of one Series E Share for each Series F Share on the applicable Series F Conversion Date and the Bank will give notice in writing thereof to the then registered holders of such remaining Series F Shares at least seven days prior to the Series F Conversion Date.

Upon exercise by the holder of this right to convert Series F Shares into Series E Shares, the Bank reserves the right not to issue Series E Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction, or to any person who, by virtue of such conversion, would become a person who beneficially owns, directly or indirectly, in excess of 10% of the total number of outstanding Class 1 Preferred Shares. In addition, the obligation of the Bank to issue Series E Shares upon conversion of any Series F Shares shall continue but be deferred if (i) the issuance of such Series E Shares is prohibited pursuant to any agreement or arrangement entered into by the Bank to assure its solvency or continued operations; (ii) the issuance of such Series E Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Bank; (iii) for any reason beyond its control, the Bank shall be unable to issue or deliver Series E Shares; or (iv) the Bank, in its sole discretion, has determined to require from the holder of such Series F Shares a declaration to establish compliance with ownership restrictions under the Bank Act, and such holder has been requested to provide and has not provided the Bank

with such a declaration in form and substance satisfactory to the Bank. See also "Bank Act Restrictions", "Additional Restrictions on Declaration of Dividends" and "Restraints on Bank Shares under the Bank Act" in the Prospectus.

If the Bank gives notice to the registered holders of the Series F Shares of the redemption of all the Series F Shares, the Bank will not be required to give notice as provided hereunder to the registered holders of the Series F Shares of an Annual Fixed Dividend Rate or of the conversion right of holders of Series F Shares and the right of any holder of Series F Shares to convert such Series F Shares will cease and terminate in that event.

Conversion of Series F Shares into Another Series of Preferred Shares at the Option of the Holder

Subject to the provisions of the Bank Act, and with the prior consent of the Superintendent, the FSA and the Federal Reserve, the Bank may at any time on and after June 30, 2019 give holders of the Series F Shares notice that they have the right, pursuant to the terms of the Series F Shares, at their option, to convert their Series F Shares on the date specified in the notice into fully-paid New Preferred Shares on a share for share basis. Notice shall be given by the Bank in writing not more than 60 and not less than 30 days prior to such conversion date.

Upon exercise by the holder of this right to convert Series F Shares into New Preferred Shares, the Bank reserves the right not to issue New Preferred Shares to any person whose address is in, or whom the Bank or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require the Bank to take any action to comply with the securities, banking or analogous laws of such jurisdiction, or to any person who, by virtue of such conversion, would become a person who beneficially owns, directly or indirectly, in excess of 10% of the total number of outstanding Class 1 Preferred Shares. In addition, the obligation of the Bank to issue New Preferred Shares upon conversion of any Series F Shares shall continue but be deferred if (i) the issuance of such New Preferred Shares is prohibited pursuant to any agreement or arrangement entered into by the Bank to assure its solvency or continued operations; (ii) the issuance of such New Preferred Shares is prohibited by law or by any regulatory or other authority having jurisdiction over the Bank; (iii) for any reason beyond its control, the Bank shall be unable to issue or deliver New Preferred Shares; or (iv) the Bank, in its sole discretion, has determined to require from the holder of such Series F Shares a declaration to establish compliance with ownership restrictions under the Bank Act, and such holder has been requested to provide and has not provided the Bank with such a declaration in form and substance satisfactory to the Bank. See also "Bank Act Restrictions", "Additional Restrictions on Declaration of Dividends" and "Restraints on Bank Shares under the Bank Act" in the Prospectus.

Purchase for Cancellation

Subject to the provisions of the Bank Act, all applicable securities laws and the rules of any securities exchange upon which the Series F Shares are listed and posted for trading and with the prior consent of the Superintendent, the FSA and the Federal Reserve, and to the provisions described below under "Restrictions on Dividends and Retirement of Series F Shares", the Bank may at any time purchase for cancellation any Series F Shares at the lowest price or prices at which, in the opinion of the Bank, such shares are obtainable.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Bank, the holders of the Series F Shares will be entitled to receive a sum per share equal to \$25.00, together with the amount of declared and unpaid dividends to the date of payment, before any amount shall be paid or any assets of the Bank distributed to the holders of the Common Shares, Class 2 Preferred Shares or any other class of shares in the capital of the Bank ranking junior to the Series F Shares. The Series F Shares will rank on a parity with Class 1 Preferred Shares of every other series. The holders of the Series F Shares will not be entitled to share in any further distribution of the assets of the Bank.

Restrictions on Dividends and Retirement of Series F Shares

So long as any Series F Shares are outstanding, the Bank will not, without the approval of the holders of the Series F Shares given as specified below:

- (a) declare any dividend on the Common Shares or any other shares ranking junior to the Series F Shares (other than stock dividends on shares ranking junior to the Series F Shares); or
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares ranking junior to the Series F Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series F Shares); or

(c) redeem, purchase or otherwise retire: (i) less than all of the Series F Shares; or (ii) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the Bank, any other shares ranking prior to or on a parity with the Series F Shares;

unless, in each case, all dividends on the Series F Shares up to and including those payable on the dividend payment date for the last completed period for which dividends shall be payable and in respect of which the rights of the holders thereof have not been extinguished, and all dividends then accrued on all other shares ranking prior to or on a parity with the Series F Shares, have been declared and paid or set apart for payment.

Issuance of Additional Series of Class 1 Preferred Shares and Amendment of Series F Share Provisions

The Bank may not, without the prior approval of the holders of the Class 1 Preferred Shares (in addition to such approvals as may be required by the Bank Act, from the Superintendent, the FSA and the Federal Reserve, or any other legal requirement), (i) create or issue any shares ranking in priority to the Class 1 Preferred Shares, or (ii) create or issue any additional series of Class 1 Preferred Shares or any shares ranking *pari passu* with the Class 1 Preferred Shares, unless at the date of such creation or issuance all cumulative dividends up to and including the last completed period for which such cumulative dividends shall be payable, shall have been declared and paid or set apart for payment in respect of each series of cumulative Class 1 Preferred Shares then issued and outstanding and any declared and unpaid non-cumulative dividends shall have been paid or set apart for payment in respect of each series of non-cumulative Class 1 Preferred Shares then issued and outstanding. Currently, there are no outstanding Class 1 Preferred Shares which carry the right to cumulative dividends.

The provisions attaching to the Series F Shares may not be deleted or varied without such approval as may then be required by the Bank Act, subject to a minimum requirement for approval by at least two-thirds of the votes cast at a meeting of the holders of Series F Shares duly called for the purpose or by the signature of the holders of at least two-thirds of the Series F Shares outstanding. In addition to the aforementioned approval, the Bank will not without, but may from time to time with, the prior approval of the Superintendent, the FSA and the Federal Reserve, if required, make any such deletion or variation which might affect the classification afforded to the Series F Shares from time to time for capital adequacy requirements pursuant to the Bank Act, the regulations and guidelines thereunder, and any other legal requirement.

Voting Rights

The holders of the Series F Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of the shareholders of the Bank unless and until the first time at which the rights of such holders to any undeclared dividends have been extinguished as described under "Dividends on Series F Shares" above. In that event, the holders of the Series F Shares will be entitled to receive notice of, and to attend, all meetings of the shareholders at which directors are to be elected and will be entitled to one vote for each share held. The voting rights of the holders of the Series F Shares shall forthwith cease upon the first payment by the Bank of a dividend on the Series F Shares to which the holders are entitled subsequent to the time such voting rights arose. At such time as the rights of such holders to any undeclared dividends on the Series F Shares have again been extinguished, such voting rights will become effective again and so on from time to time.

No Pre-Emptive Rights

The holders of the Series F Shares will not be entitled as of right to subscribe for or purchase or receive any part of any future issue of shares, bonds, debentures or other securities of the Bank.

Tax Election

The Series F Shares will be "taxable preferred shares" as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate holders of the Series F Shares. The terms of the Series F Shares require the Bank to make the necessary election under Part VI.1 of the Tax Act so that such corporate holders will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series F Shares. See "Canadian Federal Income Tax Considerations".

Business Day

If any action is required to be taken by the Bank on a day that is not a business day, then such action will be taken on the next succeeding day that is a business day.

Depository Services

Issuance

Except as otherwise provided below, the Series E Shares and the Series F Shares will be issued in "book-entry only" form and must be purchased, transferred, converted or redeemed through participants ("Participants") in the depository service of CDS or its nominee. Each of the Underwriters is a Participant. On the closing of this offering, the Bank will cause a global certificate or certificates representing the Series E Shares to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of Series E Shares or Series F Shares, as applicable, will be entitled to a certificate or other instrument from the Bank or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such purchaser. Each purchaser of Series E Shares or Series F Shares, as applicable, will receive a customer confirmation of purchase from the registered dealer from which the Series E Shares or Series F Shares, as applicable, are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for Participants having interests in the Series E Shares or Series F Shares, as applicable. Reference in this Prospectus Supplement to a holder of Series E Shares or Series F Shares, as the case may be.

If the Bank determines, or CDS notifies the Bank in writing, that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Series E Shares or Series F Shares, as applicable, and the Bank is unable to locate a qualified successor, or if the Bank at its option elects, or is required by law, to withdraw the Series E Shares or Series F Shares, as applicable, from the book-entry system, then Series E Shares or Series F Shares, as applicable, will be issued in fully registered form to holders or their nominees.

Transfers, Conversions and Redemptions

Transfers of ownership, conversions or redemptions in the Series E Shares or Series F Shares, as applicable, will be effected only through records maintained by CDS for such Series E Shares or Series F Shares, as applicable, with respect to interests of Participants and on the records of Participants with respect to interests of holders other than Participants. Holders of Series E Shares or Series F Shares, as applicable, other than Participants, wishing to purchase, sell or otherwise transfer ownership of or other interests in the Series E Shares or Series F Shares, as applicable, may do so only through Participants. The ability of a holder to pledge Series E Shares or Series F Shares, as applicable, or otherwise take action with respect to such holder's interest in Series E Shares or Series F Shares, as applicable, (other than through a Participant) may be limited due to the lack of a physical certificate.

Payments and Deliveries

The Bank will make, or cause to be made, payments of principal, redemption price, if any, dividends and interest, as applicable, on the Series E Shares or Series F Shares, as applicable, to CDS as the registered holder of the Series E Shares or Series F Shares, as applicable. The Bank understands that the payment will be forwarded by CDS to Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered owner of the Series E Shares or Series F Shares, as applicable, CDS will be considered the sole owner of the Series E Shares or Series F Shares, as applicable, for the purposes of receiving notices or payments on the Series E Shares or Series F Shares, as applicable. As long as the Series E Shares or Series F Shares, as applicable, are held in the CDS book-entry only system, the responsibility and liability of the Bank in respect of the Series E Shares or Series F Shares, as applicable, is limited to making payments of principal, redemption price, if any, and interest, as applicable, on the Series E Shares or Series F Shares, as applicable, to CDS, as registered holder of the Series E Shares or Series F Shares, as applicable. The Bank expects that CDS, upon receipt of any payment in respect of the Series E Shares or Series F Shares, as applicable, will credit Participants' accounts in amounts proportionate to their respective interests in the principal amount of such Series E Shares or Series F Shares, as applicable, as shown on the records of CDS in accordance with the customary practices and procedures of CDS. The Bank also expects that payments by Participants to the owners of beneficial interests in Series E Shares or Series F Shares, as applicable, held through such Participants will be governed by standing instructions and customary practices, and will be the responsibility of such Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to CDS, and persons other than Participants having an interest in Series E Shares or Series F Shares, as applicable, must look solely to Participants, for payments or deliveries made by or on behalf of the Bank to CDS in respect of such Series E Shares or Series F Shares, as applicable.

Each beneficial owner must rely on the procedures of CDS and, if such beneficial owner is not a Participant, on the procedures of the Participant through which such beneficial owner owns its interest to exercise any rights with respect to the Series E Shares or Series F Shares, as applicable. The Bank understands that under existing policies of CDS, and industry practices, if the Bank requests any action of a beneficial owner or if a beneficial owner desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Series E Shares or Series F Shares, as applicable, CDS would authorize the Participant acting on behalf of the beneficial owner to give such notice or to take such action in accordance with the procedures established by CDS or agreed to from time to time by the Bank and CDS. Any beneficial owner that is not a Participant must rely on the contractual arrangement it has directly, or indirectly, through its financial intermediary, with its Participant to give such notice or take such action.

None of the Bank or the Underwriters will assume liability or responsibility for (i) any aspect of the records relating to the beneficial ownership of the Series E Shares or Series F Shares, as applicable, held by CDS or the payments or deliveries relating thereto, (ii) maintaining, supervising or reviewing any records relating to the Series E Shares or Series F Shares, as applicable, or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of Participants.

CHANGES TO THE CAPITAL OF THE BANK

On November 30, 2008, the Bank issued 86,450,000 Class 2 Preferred Shares, Series B in connection with its acquisition of HSBC Financial Corporation Limited.

Other than the Class 2 Preferred Shares referred to above, the Bank has not issued any securities in the 12 months preceding the date of this Prospectus Supplement.

RATINGS

The Series E Shares have been given a rating of Pfd-1 with a negative trend by DBRS Limited ("DBRS"), and P-1 (low) and A by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies (Canada) Corporation ("S&P") using S&P's Canadian scale for preferred shares and S&P's global scale for preferred shares, respectively.

A Pfd-1 rating by DBRS is the highest of six categories granted by DBRS for preferred shares. "High" and "low" grades may be used to indicate the relative standing of a credit within a particular rating category. The absence of a "high" or "low" designation indicates the rating is in the middle of the category. A rating trend, expressed as positive, stable or negative, provides an opinion regarding the likely direction of any medium-term rating actions. A P-1 rating by S&P is the highest of the eight categories used by S&P in its Canadian preferred share rating scale. The A rating by S&P is the second highest of nine categories used by S&P in its global preferred share scale. A reference to "high" or "low" (in the case of S&P's Canadian scale) or "+/-" (in the case of S&P's global scale) reflects the relative standing of a credit within a particular rating category.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series E Shares may not reflect the potential impact of all risks on the value of the Series E Shares. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to the Bank, and Stikeman Elliott LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser of Series E Shares pursuant to this Prospectus Supplement who, for purposes of the Tax Act and at all relevant times, is resident or is deemed to be resident in Canada, deals at arm's length with and is not affiliated with the Bank, holds Series E Shares and will hold any Series F Shares as capital property and is not exempt from tax under Part I of the Tax Act (a "Holder"). Generally, the Series E Shares and Series F Shares will be considered to constitute capital property to a Holder provided that the Holder does not acquire or hold such shares in the course of carrying on a business of buying and selling securities or as part of an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Series E Shares or Series F Shares as capital property may, in certain circumstances, be entitled to have such shares and all other property which is a "Canadian security", as defined in the Tax Act, treated as capital property by making an irrevocable election permitted under subsection 39(4) of the Tax Act.

This summary is not applicable to a purchaser an interest in which is a "tax shelter investment" (as defined in the Tax Act), to a purchaser who has elected to determine its Canadian tax results in a currency (other than Canadian currency) that is a "functional currency" (as defined in the Tax Act), or to a purchaser who is a "financial institution" (as defined in the Tax Act) for purposes of certain rules applicable to securities held by financial institutions (referred to as the "mark-to-market" rules). Such purchasers should consult their own tax advisors. Furthermore, this summary is not applicable to a purchaser that is a "specified financial institution" (as defined in the Tax Act) that receives or is deemed to receive, alone or together with persons with whom it does not deal at arm's length, in the aggregate dividends in respect of more than 10% of the Series E Shares or Series F Shares, as the case may be, outstanding at the time a dividend is (or is deemed to be) received. This summary also assumes that all issued and outstanding Series E Shares and Series F Shares are listed on a designated stock exchange in Canada (as defined in the Tax Act) at the time dividends are (or deemed to be) received on such shares.

This summary is based upon the current provisions of the Tax Act and the regulations issued thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals") and counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "CRA") published in writing by the CRA prior to the date hereof. This summary is not exhaustive of all possible Canadian federal income tax considerations, and, except for the Tax Proposals, does not take into account or anticipate any changes in law or CRA administrative policies or assessing practices, whether by way of legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. While this summary assumes that the Tax Proposals will be enacted in the form proposed, no assurance can be given that this will be the case, and no assurance can be given that judicial, legislative or administrative changes will not modify or change the statements below.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Holder and no representation with respect to the income tax consequences to any particular Holder is made. Prospective purchasers of Series E Shares should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Series E Shares or Series F Shares having regard to their own particular circumstances.

Dividends

Dividends (including deemed dividends) received on the Series E Shares or the Series F Shares by an individual (other than certain trusts) will be included in the individual's income and generally will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by the Bank as eligible dividends in accordance with the provisions of the Tax Act. Dividends (including deemed dividends) received on the Series E Shares or the Series F Shares by a Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income.

The Series E Shares and the Series F Shares will be "taxable preferred shares" as defined in the Tax Act for purposes of the tax under Part IV.1 of the Tax Act applicable to certain corporate Holders of the Series E Shares and the Series F Shares. The terms of the Series E Shares and the Series F Shares require the Bank to make the necessary election under

Part VI.1 of the Tax Act so that such corporate Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Series E Shares and the Series F Shares.

A Holder that is a "private corporation", as defined in the Tax Act, or any other Canadian resident corporation controlled, whether by reason of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts), will generally be liable to pay a 331/3% refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Series E Shares and the Series F Shares to the extent such dividends are deductible in computing its taxable income.

Dividends received by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

Dispositions

A Holder who disposes of or is deemed to dispose of Series E Shares or Series F Shares (including on a redemption of the shares or other acquisition by the Bank, but not including a conversion of Series E Shares into Series F Shares or New Preferred Shares and a conversion of Series F Shares into Series E Shares or New Preferred Shares) will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares to such Holder immediately before the disposition or deemed disposition. The amount of any deemed dividend arising on the redemption or acquisition by the Bank of Series E Shares or Series F Shares (described below) generally will not be included in computing the proceeds of disposition to a Holder for purposes of computing the capital gain or capital loss arising on the disposition of such shares. If the Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Series E Shares or Series F Shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares to the extent and under circumstances prescribed by the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Redemption and Conversion

If the Bank redeems for cash or otherwise acquires Series E Shares or Series F Shares, other than by a purchase in the manner in which shares are normally purchased by a member of the public in the open market, the Holder will be deemed to have received a dividend equal to the amount, if any, paid by the Bank in excess of the paid-up capital of such shares at such time. The difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on the disposition of such shares. In the case of a corporate Holder, it is possible that in certain circumstances all or part of the amount so deemed to be a dividend may be treated as proceeds of disposition and not as a dividend.

The conversion of the Series E Shares into Series F Shares or New Preferred Shares and the conversion of Series F Shares into Series E Shares or New Preferred Shares will be deemed not to be a disposition of property and accordingly will not give rise to any capital gain or capital loss. The cost to a Holder of Series F Shares, Series E Shares or New Preferred Shares, as the case may be, received on the conversion will be deemed to be equal to the Holder's adjusted cost base of the converted Series E Shares or Series F Shares, as the case may be, immediately before the conversion.

Taxation of Capital Gains and Capital Losses

Generally, a Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain") realized by the Holder in the year. Subject to and in accordance with the provisions of the Tax Act, a Holder is required to deduct one half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Holder in the year and allowable capital losses in a taxation year in excess of taxable capital gains in the taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years. Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax.

Additional Refundable Tax

A Holder that is a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6\%? on certain investment income including amounts in respect of taxable capital gains.

TRADING PRICE AND VOLUME

The outstanding Class 1 Preferred Shares of the Bank are listed on the TSX with the following trading symbols: "HSB.PR.C" for the Class 1 Preferred Shares Series C and "HSB.PR.D" for the Class 1 Preferred Shares Series D. The following table sets forth the reported high and low closing prices and trading volumes of the outstanding Class 1 Preferred Shares on the TSX during the 12 months preceding the date of this Prospectus Supplement.

Month	HSB.PR.C	HSB.PR.D
March 2009		
High (\$)	\$ 18.00	\$ 17.71
Low (\$)	\$ 16.80	\$ 16.21
Volume ('000)	107,714	127,415
February 2009	,	,
High (\$)	\$ 18.25	\$ 18.36
Low (\$)	\$ 17.46	\$ 17.15
Volume ('000)	123,276	85,285
January 2009	,	,
High (\$)	\$ 18.22	\$ 18.48
Low (\$)	\$ 17.15	\$ 16.75
Volume ('000)	582,586	181,149
December 2008	,	,
High (\$)	\$ 17.80	\$ 17.58
Low (\$)	\$ 14.00	\$ 14.30
Volume ('000)	276,795	258,929
November 2008	,	,
High (\$)	\$ 19.20	\$ 18.74
Low (\$)	\$ 15.50	\$ 14.05
Volume ('000)	135,805	120,383
October 2008	ŕ	,
High (\$)	\$ 20.30	\$ 19.89
Low (\$)	\$ 17.21	\$ 18.00
Volume ('000)	57,803	149,913
September 2008	ŕ	,
High (\$)	\$ 21.50	\$ 21.05
Low (\$)	\$ 19.93	\$ 19.75
Volume ('000)	389,188	187,587
August 2008		
High (\$)	\$ 21.00	\$ 21.00
Low (\$)	\$ 19.99	\$ 20.00
Volume ('000)	144,446	106,373
July 2008		
High (\$)	\$ 21.33	\$ 20.30
Low (\$)	\$ 18.72	\$ 18.99
Volume ('000)	179,155	74,600
June 2008		
High (\$)	\$ 22.55	\$ 22.40
Low (\$)	\$ 21.10	\$ 20.29
Volume ('000)	65,382	158,972
May 2008		
High (\$)	\$ 22.82	\$ 22.49
Low (\$)		
	\$ 22.30	\$ 21.92

Month	HSB.PR.C	HSB.PR.D
April 2008		
High (\$)	\$ 23.24	\$ 23.09
Low (\$)	\$ 22.40	\$ 21.67
Volume ('000)	36,717	86,585

EARNINGS COVERAGE

The following earnings coverage ratios reflect such issuance of Class 2 Preferred Shares referred to under "Changes to the Capital of The Bank" and the issuance of the Series E Shares under this Prospectus Supplement.

The Bank's dividend requirements on all of its outstanding Class 1 Preferred Shares and Class 2 Preferred Shares, adjusted to a before-tax equivalent using an effective income tax rate of 29.9% for the 12 months ended December 31, 2008, amounted to \$80 million for the 12 months ended December 31, 2008 (\$87 million assuming issuance of all of the Option Shares). The Bank's interest requirements on debentures amounted to \$39 million for the 12 months ended December 31, 2008. The Bank's earnings before interest and income tax were \$885 million for the 12 months ended December 31, 2008, which is 7.4 times the Bank's aggregate dividend and interest requirements for such period (7.0 times assuming issuance of all of the Option Shares).

PLAN OF DISTRIBUTION

Under an underwriting agreement (the "Underwriting Agreement") dated as of March 24, 2009 (as amended on April 2, 2009) between the Bank and the Underwriters, the Bank has agreed to sell and the Underwriters have severally agreed to purchase on April 8, 2009 or such later date as may be agreed upon, but not later than April 14, 2009, subject to the terms and conditions stated therein, all but not less than all of the 7,000,000 Series E Shares at a price of \$25.00 per share payable in cash to the Bank against delivery of such Series E Shares. The obligations of the Underwriters under the Underwriting Agreement may be terminated if there should occur conditions of national or international consequence which may seriously adversely affect the Canadian financial markets and may also be terminated upon the occurrence of certain events specified in the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all of the Series E Shares if any Series E Shares are purchased under the Underwriting Agreement.

The Underwriting Agreement provides that the Underwriters will be paid a fee equal to \$0.25 per share sold to certain institutions and \$0.75 per share sold to all others, on account of underwriting services rendered in connection with this offering, which fees will be paid out of the general funds of the Bank.

The Bank has granted to the Underwriters an option to purchase the Option Shares at the offering price hereunder, exercisable at any time before 8:30 a.m. on the date that is two business days prior to the closing of this offering. This Prospectus Supplement also qualifies the distribution of the Option Shares. The Underwriters will be paid a fee equal to \$0.25 with respect to Option Shares sold to certain institutions and \$0.75 with respect to all other Option Shares sold.

The Underwriters may not, throughout the period of distribution, bid for or purchase the Series E Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Series E Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. The Bank has been advised that, in connection with this offering and subject to the foregoing, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series E Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to offer the Series E Shares initially at the offering price specified on the front cover of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series E Shares at the price specified on the cover page, the offering price may be decreased and may be further changed from time to time to an amount not greater than that set out on the cover page. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series E Shares is less than the gross proceeds paid by the Underwriters to the Bank.

HSBC Securities (Canada) Inc., one of the Underwriters, is a wholly-owned subsidiary of the Bank. By virtue of such ownership, the Bank is a related and connected issuer of HSBC Securities (Canada) Inc. under applicable securities

legislation. The decision to distribute the Series E Shares and the determination of the terms of the distribution were made through negotiations between the Bank, on the one hand, and the Underwriters on the other hand. HSBC Securities (Canada) Inc. will not receive any benefit in connection with this offering, other than its share of the Underwriters' fee payable by the Bank.

Under applicable securities laws, Scotia Capital Inc. ("Scotia") is an independent underwriter in connection with this offering and is not related or connected to the Bank or to HSBC Securities (Canada) Inc. In that capacity, Scotia has participated with all other Underwriters in due diligence meetings relating to this Prospectus Supplement with the Bank and its representatives, has reviewed this Prospectus Supplement and has had the opportunity to propose such changes to this Prospectus Supplement as it considered appropriate. In addition, Scotia has participated, together with the other Underwriters, in the structuring and pricing of this offering.

RISK FACTORS

An investment in the Series E Shares is subject to certain risks including those set out and incorporated by reference in the Prospectus and the following:

Market Value of the Series E Shares

The value of the Series E Shares is subject to the general creditworthiness of the Bank and market value fluctuations based upon factors which influence the Bank's operations, such as legislative or regulatory developments, competition, technological change and global capital market activity. Real or anticipated changes in credit ratings on the Series E Shares may affect the market value of the Series E Shares. Also, the financial markets are generally characterized by extensive interconnections among financial institutions. As a result, defaults by other financial institutions in Canada, the United States or other countries could adversely affect the Bank and the market price of the Series E Shares. Additionally, from time to time the stock market experiences significant price and volume volatility that may affect the market price of the Series E Shares for reasons unrelated to the Bank's performance.

Terms of the Series E and Series F Preferred Shares

Prevailing yields on similar securities will also affect the market value of the Series E Shares and the Series F Shares.

The dividend rate in respect of the Series E Shares and Series F Shares will reset every five years and quarterly, respectively. In each case, the new dividend rate is unlikely to be the same as, and may be lower than, the dividend rate for the applicable preceding dividend period.

An investment in the Series E Shares may become an investment in Series F Shares without the consent of the holder in the event of an automatic conversion in the circumstances described under "Details of the Offering — Certain Provisions of the Series E Shares as a Series — Conversion of Series E Shares into Series F Shares". Upon the automatic conversion of the Series E Shares into Series F Shares, the dividend rate on the Series F Shares will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time. In addition, holders may be prevented from converting their Series E Shares into Series F Shares in certain circumstances. See "Details of the Offering — Certain Provisions of the Series E Shares as a Series — Conversion of Series E Shares into Series F Shares" and "Details of the Offering — Certain Provisions of the Series E Shares as a Series — Issuance of Additional Series of Class 1 Preferred Shares and Amendment of Series E Share Provisions".

The Bank has entered into, and may in future enter into, agreements in connection with the offering of trust capital securities of HSBC Canada Asset Trust, pursuant to which it has covenanted and will covenant not to declare dividends on shares in its capital, including the Series E Shares and the Series F Shares, if HSBC Canada Asset Trust has failed to meet its payment obligations in respect of the trust capital securities. If HSBC Canada Asset Trust fails to satisfy its payment obligations to the holders of its trust capital securities, the Bank may not be able to declare dividends on the Series E Shares and the Series F Shares.

Optional Redemption by the Bank

The optional redemption feature of the Series E Shares is likely to limit their market value. During any period when the Bank may elect to redeem Series E Shares, the market value of those Series E Shares generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

If Series E Shares are redeemable at the option of the Bank, the Bank may redeem all of the Series E Shares when its cost of borrowing is lower than the interest rate on the Series E Shares. At those times, a holder of a Series E Share

generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Series E Shares being redeemed and may only be able to do so at a significantly lower rate. Potential purchasers should consider reinvestment risk in light of other investments available at that time.

Subordination

The Series E Shares and Series F Shares are equity capital of the Bank which rank equally with all other Class 1 Preferred Shares of the Bank in the event of the insolvency or winding-up of the Bank. If the Bank becomes insolvent or is wound-up, the Class 1 Preferred Shares will be subordinate in right of payment to all deposit liabilities and all other liabilities of the Bank, including subordinated indebtedness, and except as otherwise prescribed by law.

USE OF PROCEEDS

The net proceeds to the Bank from the sale of the Series E Shares, after deducting expenses of issue, will be added to the Bank's Tier 1 capital base and used for general corporate purposes.

LEGAL MATTERS

In connection with the issue and sale of the Series E Shares, certain legal matters will be passed upon on behalf of the Bank by McCarthy Tétrault LLP and on behalf of the Underwriters by Stikeman Elliott LLP. As of the date hereof, partners, counsel and associates of McCarthy Tétrault LLP and Stikeman Elliott LLP, respectively, as a group, beneficially own, directly or indirectly, less than one percent of any securities of the Bank or any associates or affiliates of the Bank.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada is the transfer agent and registrar for the Series E Shares and the Series F Shares.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE BANK

Dated: April 2, 2009

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

(signed) LINDSAY GORDON President and Chief Executive Officer (signed) Graham McIsaac Chief Financial Officer

On Behalf of the Board of Directors

(signed) SAMUEL MINZBERG Director

(signed) Ross S. Smith Director

CERTIFICATE OF THE UNDERWRITERS

Dated: April 2, 2009

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the *Bank Act* (Canada) and the regulations thereunder and the securities legislation of all provinces and territories of Canada.

HSBC SECURITIES (CANADA) INC. SCOTIA CAPITAL INC.

By: (signed) Catherine Code By: (signed) Mary Robertson

RBC DOMINION SECURITIES INC.

By: (signed) RAJIV BAHL

TD SECURITIES INC. BMO NESBITT BURNS INC. CIBC World Markets Inc.

By: (signed) Cameron Goodnough By: (signed) Bradley J. Hardie By: (signed) Scott J. Smith

NATIONAL BANK FINANCIAL INC.

By: (signed) DARIN DESCHAMPS

DESJARDINS SECURITIES INC.

By: (signed) Thomas L. Jarmai

BLACKMONT	Brookfield	CANACCORD CAPITAL CORPORATION	Dundee Securities	RAYMOND
CAPITAL INC.	Financial Corp.		Corporation	JAMES LTD.
By: (signed)	By: (signed)	By: (signed)	By: (signed)	By: (signed)
Charles Pennock	Mark Murski	Craig G. H. Warren	Aaron Unger	J. Graham Fell

AUDITORS' CONSENT

The Board of Directors of HSBC Bank Canada

We have read the amended and restated prospectus supplement of HSBC Bank Canada ("the Bank") dated April 2, 2009, relating to the sale and issuance of \$175,000,000 Series E Preferred Shares, to the short form base shelf prospectus dated March 27, 2007 relating to the offering of up to \$1,500,000,000 Debt Securities (subordinated indebtedness) and Class 1 Preferred Shares (collectively, the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report dated February 16, 2009 to the shareholders of the Bank of the following consolidated financial statements of the Bank:

- consolidated balance sheets as at December 31, 2008 and 2007; and
- consolidated statements of income, changes in shareholders' equity, comprehensive income and cash flows for each of the years then ended.

(signed) KPMG LLP Chartered Accountants

Vancouver, Canada April 2, 2009