

This short form prospectus 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. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America or for the account or benefit of U.S. persons. See "Plan of Distribution".

Short Form Prospectus

New Issue

April 8, 2005



\$150,000,000

6,000,000 Non-Cumulative Redeemable Class 1 Preferred Shares Series C

This prospectus qualifies the distribution of 6,000,000 Non-Cumulative Redeemable Class 1 Preferred Shares Series C (the "Preferred Shares Series C") in the capital of HSBC Bank Canada (also referred to as the "Bank") (the "Offering"). Non-cumulative preferential cash dividends on the Preferred Shares Series C, if, as and when declared, will be payable quarterly on the last day of March, June, September and December of each year commencing on June 30, 2005. Such dividends will be payable on the Preferred Shares Series C at a quarterly rate of \$0.318750 per share (or 5.10% per annum based on the initial offering price of \$25.00). The initial dividend, if, as and when declared, will be payable on June 30, 2005 in the amount of \$0.252198 per share, based upon an anticipated closing date of April 19, 2005.

The Preferred Shares Series C will not be redeemable by the Bank prior to June 30, 2010. Subject to obtaining the consents of the Superintendent of Financial Institutions (Canada) (the "Superintendent"), the Financial Services Authority (United Kingdom) (the "FSA") and the Board of Governors of the Federal Reserve System (United States) (the "Federal Reserve"), the Bank may, at its option, and without the consent of holders of the Preferred Shares Series C, redeem for cash the Preferred Shares Series C on or after June 30, 2010, in whole or in part, at a price of \$26.00 per share if redeemed during the 12 months commencing June 30, 2010, \$25.75 per share if redeemed during the 12 months commencing June 30, 2011, \$25.50 per share if redeemed during the 12 months commencing June 30, 2012, \$25.25 per share if redeemed during the 12 months commencing June 30, 2013, and \$25.00 per share commencing June 30, 2014 and thereafter, in each case together with declared and unpaid dividends thereon to the date fixed for redemption. See "Details of the Offering — Certain Provisions of the Preferred Shares Series C".

The Bank may also, at any time but only with the prior consent of the Superintendent, the FSA and the Federal Reserve, give the holders of Preferred Shares Series C notice that they have the right, pursuant to the terms of the Preferred Shares Series C, at their option, to convert their Preferred Shares Series C into a new series of Class 1 preferred shares of the Bank on a share-for-share basis. See "Details of the Offering — Certain Provisions of the Preferred Shares Series C".

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the Preferred Shares Series C on the TSX. Listing will be subject to the Bank fulfilling all the requirements of the TSX on or before June 30, 2005.

Price: \$25.00 per share to yield 5.10%

HSBC Securities (Canada) Inc., TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., National Bank Financial Inc. and Trilon Securities Corporation (collectively, the "Underwriters"), as principals, conditionally offer the Preferred Shares Series C, 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 the approval of certain legal matters on behalf of HSBC Bank Canada by Borden Ladner Gervais LLP and on behalf of the Underwriters by Stikeman Elliott LLP.

HSBC Securities (Canada) Inc., one of the Underwriters, is an indirect wholly-owned subsidiary of HSBC Bank Canada and, accordingly, HSBC Bank Canada is a related 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 (1)(2)
Per Preferred Share Series C	\$25.00	\$0.75	\$24.25
Total (3)	\$150,000,000	\$4,500,000	\$145,500,000

- (1) The Underwriters' Fee is \$0.25 for each share sold to certain institutions and \$0.75 per share for all other shares sold. The amounts set forth in the table represent the Underwriters' Fee and the Net Proceeds to the Bank assuming no shares are sold to such institutions.
- (2) Before deduction of expenses of the Offering, estimated at \$400,000, which, together with the Underwriters' Fee, are payable by the Bank.
- (3) The Bank has granted the Underwriters an option (the "Option") to purchase an additional 4,000,000 Preferred Shares Series C at a price of \$25.00 per share, exercisable until 48 hours prior to the closing date of the Offering. This prospectus also qualifies the grant of the Option and distribution of the Preferred Shares Series C issuable upon exercise of the Option. See "Plan of Distribution". If the Underwriters exercise the Option in full, the total Price to the Public will be \$250,000,000, the total Underwriters' Fee will be \$7,500,000 and the Net Proceeds to the Bank, before deducting estimated expenses of the Offering, will be \$242,500,000.

In connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Preferred Shares Series C. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Subscriptions for the Preferred Shares Series C will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering should take place on or about April 19, 2005 or such later date as the Bank and the Underwriters may agree upon, but in any event, not later than May 13, 2005. A global certificate representing the Preferred Shares Series C distributed hereunder will be issued in registered form only to The Canadian Depository for Securities Limited ("CDS"), or its nominee, and will be deposited with CDS on closing of the Offering. A purchaser of Preferred Shares Series C will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Preferred Shares Series C are purchased. No certificate evidencing the Preferred Shares Series C will be issued to purchasers, except in limited circumstances, and registration will be made in the depository service of CDS. See "Depository Services".

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the documents incorporated by reference, includes forward-looking statements with respect to the Bank, including its business operations and strategy, 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 under the heading “Risk Factors”. See “Risk Factors”.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with 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, HSBC Bank Canada, Suite 900, 888 Dunsmuir Street, Vancouver, British Columbia V6C 3K4, telephone (604) 641-2997. 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 from the Corporate Secretary of the Bank at the above-mentioned address and telephone number.

The following documents have been filed by the Bank with the Superintendent and the various securities commissions or similar authorities in Canada and are specifically incorporated by reference into, and form an integral part of, this prospectus:

- (a) the annual information form dated March 17, 2005; and
- (b) the audited consolidated financial statements for the fiscal year ended December 31, 2004 with comparative consolidated financial statements for the fiscal year ended December 31, 2003, prepared in accordance with Canadian generally accepted accounting principles, 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, 2004.

Any documents of the type referred to in the preceding paragraph and any unaudited interim financial statements for three, six or nine month financial periods, management's discussion and analysis thereon, any information circulars and any material change reports (excluding confidential material change reports) filed by the Bank with a securities commission or similar authority in Canada, after the date of this short form prospectus and prior to the completion or withdrawal of the Offering, will be deemed to be incorporated by reference into this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference into this prospectus or contained in this prospectus is deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference into this prospectus 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 shall not 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 is required to be stated or that is 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.

CURRENCY AND ACCOUNTING INFORMATION

Unless otherwise indicated, all dollar amounts appearing in this prospectus are stated in Canadian dollars.

All amounts appearing under "Subordinated Debentures, Non-Controlling Interest in Trust and Subsidiary and Shareholders' Equity" and "Earnings Coverage" are derived from the consolidated financial statements of the Bank, which are presented in accordance with Canadian generally accepted accounting principles.

HSBC BANK CANADA

HSBC Bank Canada was established in 1981 and is a Canadian Schedule II chartered bank operating under the provisions of the Bank Act. HSBC Bank Canada's head office is located at 300-885 West Georgia Street, Vancouver, British Columbia V6C 3E9. The Bank is an indirect wholly-owned subsidiary of HSBC Holdings plc ("HSBC Holdings" and, alone or together with its direct and indirect subsidiaries, including the Bank, "HSBC"). HSBC Holdings is a public limited company incorporated in England and Wales. HSBC Holdings' head office is located at 8 Canada Square, London E14 5HQ, United Kingdom.

Subsidiaries

A list of the principal subsidiaries directly or indirectly owned or controlled by the Bank as at December 31, 2004 is included in the Bank's annual information form dated March 17, 2005, which is incorporated by reference into this prospectus.

Business of HSBC

HSBC Bank Canada is the largest full service, globally-integrated foreign-owned bank in Canada and the seventh largest Canadian bank overall, with more than 170 offices and total assets of \$43 billion as at December 31, 2004. HSBC Bank Canada and its subsidiaries provide a wide range of personal and commercial banking services, corporate, investment banking and market services, on-line and full service brokerage services, investment management and personal trust services. As an indirect wholly-owned subsidiary of HSBC Holdings, HSBC Bank Canada provides its clients with access to one of the largest banking and financial services organizations in the world. Through its global network of more than 9,800 offices in 77 countries and territories, HSBC provides a comprehensive range of financial services to clients worldwide. At December 31, 2004, HSBC Holdings had total assets of US\$1,277 billion on a consolidated basis and a market capitalization of US\$190 billion.

Additional information with respect to the Bank's business is included in the Bank's annual information form dated March 17, 2005, which is incorporated by reference into this prospectus.

DETAILS OF THE OFFERING

The authorized capital of the Bank consists of (a) 993,677,000 common shares without par value (“Common Shares”), (b) an unlimited number of Class 1 preferred shares (“Class 1 Preferred Shares”), without par value, issuable in one or more series, of which the Bank has currently designated 5,000,000 as Series A, 5,000,000 as Series B, 10,000,000 as Series C and 200,000 as Series Z, and (c) an unlimited number of Class 2 preferred shares (“Class 2 Preferred Shares”), without par value, issuable in one or more series. As at March 30, 2005, there were 488,668,000 Common Shares, 5,000,000 Class 1 Preferred Shares (all designated as Series A) and no Class 2 Preferred Shares issued and outstanding.

The following is a summary of the rights, privileges, restrictions and conditions of or attaching to the Class 1 Preferred Shares as a class and the Preferred Shares Series C as a series. In addition, the Bank has entered into agreements in connection with the issuance of trust capital securities of HSBC Canada Asset Trust which restrict its ability to declare and pay dividends on any shares in its capital, including the Preferred Shares Series C, if HSBC Canada Asset Trust has failed to meet its payment obligations in respect of the trust capital securities. See “Risk Factors”.

Certain Provisions of the Class 1 Preferred Shares as a Class

The Bank is authorized to issue an unlimited number of Class 1 Preferred Shares in one or more series. The Board of Directors may from time to time issue unissued Class 1 Preferred Shares in one or more series and fix the number of shares in each series and the rights, privileges, restrictions and conditions thereof.

Priority

The Class 1 Preferred Shares of each series will rank on a parity with the Class 1 Preferred Shares of every other series and are entitled to preference over the Class 2 Preferred Shares, the Common Shares and any other class of shares in the capital of the Bank ranking junior to the Class 1 Preferred Shares, with respect to the payment of dividends and upon any distribution of assets of the Bank in the event of the liquidation, dissolution or winding-up of the Bank, whether voluntary or involuntary, or any other distribution of the assets of the Bank among its shareholders for the purpose of winding-up its affairs.

Restrictions

The Bank may not, without the approval of the holders of the Class 1 Preferred Shares, create any other class of shares ranking prior to the Class 1 Preferred Shares or amend the provisions attaching to the Class 1 Preferred Shares unless, for all issued and outstanding Class 1 Preferred Shares, all cumulative dividends have been declared and paid or set aside for payment and any declared non-cumulative dividends have been paid or set aside for payment.

Shareholder Approvals

Any approval to be given by the holders of the Class 1 Preferred Shares as a class, or of any series of Class 1 Preferred Shares as a series, may be given by a resolution carried by the affirmative vote of not less than two-thirds of the votes cast at a meeting of holders of the outstanding Class 1 Preferred Shares as a class or the holders of a particular series at which a majority of the outstanding shares of the class or series is represented either in person or by proxy, or if no quorum is present at such meeting, at any adjourned meeting at which no quorum requirements would apply.

Certain Provisions of the Preferred Shares Series C

Number and Issue Price

An aggregate of 10,000,000 Preferred Shares Series C may be issued at an issue price of \$25.00 per share.

Dividends

The holders of the Preferred Shares Series C will be entitled to receive a quarterly non-cumulative preferential cash dividend, if, as and when declared by the Board of Directors, on the last day of each of March, June, September and December in each year (each a “Dividend Payment Date”), at a fixed quarterly rate equal to \$0.318750 per share. The first of such dividends, if declared, will be payable on June 30, 2005 and will be \$0.252198 per share, based on the anticipated closing date of April 19, 2005.

The holders of Preferred Shares Series C will not be entitled to any dividends other than or in excess of the fixed non-cumulative preferential cash dividends described above.

If the board of directors of the Bank (the “Board of Directors”) in its discretion does not declare the above mentioned dividend, or any part thereof, on the Preferred Shares Series C on or before the Dividend Payment Date for a particular quarter, then the right of the holders of the Preferred Shares Series C to receive such dividend, or any part thereof, for such quarter will be forever extinguished.

See “— Restrictions on Dividends and Retirement of Shares” and “Bank Act Restrictions”.

Redemption

The Preferred Shares Series C may not be redeemed by the Bank prior to June 30, 2010. Subject to the provisions described below under “— Restrictions on Dividends and Retirement of Shares”, the Bank may, at its option, on not more than 60 and not less than 30 days’ notice, and without the consent of the holders, redeem for cash the Preferred Shares Series C on or after June 30, 2010, in whole or in part, at a price of \$26.00 per share if redeemed during the 12 months commencing June 30, 2010, \$25.75 per share if redeemed during the 12 months commencing June 30, 2011, \$25.50 per share if redeemed during the 12 months commencing June 30, 2012, \$25.25 per share if redeemed during the 12 months commencing June 30, 2013, and \$25.00 per share commencing June 30, 2014 and thereafter, in each case together with declared and unpaid dividends thereon to the date fixed for redemption.

If at any time only part of the then outstanding Preferred Shares Series C are to be redeemed, the Preferred Shares Series C to be redeemed will be selected by lot, pro rata, or in such other manner as the Board of Directors may determine.

If fewer than all the Preferred Shares Series C represented by any certificate will be redeemed, a new certificate for the balance will be issued without cost to the holder.

All redemptions of the Preferred Shares Series C are subject to the provisions of the Bank Act, to obtaining the consents of the Superintendent, the FSA and the Federal Reserve, and to the provisions described below under “— Restrictions on Dividends and Retirement of Shares”.

Conversion Right of the Holder

The Bank may, at any time by resolution of the Board of Directors, constitute a further series of Class 1 Preferred Shares (the “New Preferred Shares”) having rights, privileges, restrictions and conditions attaching thereto which would qualify such New Preferred Shares as Tier 1 capital of the Bank under the then current capital adequacy guidelines prescribed by the Superintendent. The Bank will ensure that such New Preferred Shares will not, if issued, be or be deemed to be “short-term preferred shares” within the meaning of the *Income Tax Act* (Canada) (the “Tax Act”). In such event, the Bank may, with the consent of the Superintendent, the FSA and the Federal Reserve, give holders of the Preferred Shares Series C notice that they have the right, pursuant to the terms of the Preferred Shares Series C, at their option, to convert their Preferred Shares Series C on the date specified in the notice into fully-paid and non-assessable New Preferred Shares on a share-for-share basis. Notice shall be given by the Bank to registered holders not more than 60 days and not less than 30 days prior to the conversion date. See “Restrictions on Bank Shares under the Bank Act”.

Purchase for Cancellation

Subject to applicable securities laws, the rules of any exchange upon which the Preferred Shares Series C are then listed and posted for trading, the Bank Act, obtaining the consents of the Superintendent, the FSA and the Federal Reserve, and the provisions described below under “— Restrictions on Dividends and Retirement of Shares”, the Bank may at any time purchase for cancellation any Preferred Shares Series C, in whole or in part, at the election of the Bank, by private contract, in the open market or by invitation for tenders addressed to all holders of the Preferred Shares Series C, at the lowest price or prices at which, in the opinion of the Board of Directors, such shares may be obtained.

Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Bank, the holders of the Preferred Shares Series C will be entitled to receive \$25.00 per share plus all declared and unpaid dividends thereon to the date of payment, before any amount shall be paid or any assets of the Bank distributed to the holders of Common Shares or any other shares in the capital of the Bank ranking junior to the Preferred Shares Series C. The holders of the Preferred Shares Series C will not be entitled to participate in any further distribution of the property or assets of the Bank.

Restrictions on Dividends and Retirement of Shares

So long as any of the Preferred Shares Series C are outstanding, the Bank will not, without the approval of the holders of the Preferred Shares Series C given as provided herein:

- (a) declare, pay or set apart for payment any dividends on the Common Shares or any other shares in the capital of the Bank ranking junior to the Preferred Shares Series C (other than stock dividends payable in any shares ranking junior to the Preferred Shares Series C);
- (b) redeem, purchase or otherwise retire any Common Shares or any other shares in the capital of the Bank ranking junior to the Preferred Shares Series C (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Preferred Shares Series C);
- (c) redeem, purchase or otherwise retire fewer than all the Preferred Shares Series C; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provision attaching to any series of preferred shares of the Bank, redeem, purchase or otherwise retire for value any other shares ranking on parity with the Preferred Shares Series C;

unless, in each case, all dividends up to and including the Dividend Payment Date for the last completed period for which dividends shall be payable shall have been declared and paid or set apart for payment in respect of the Preferred Shares Series C.

Restriction on Issue of Prior Ranking Shares

The Bank may not issue any shares ranking prior to the Preferred Shares Series C with respect to the payment of dividends or the distribution of assets in the event of the liquidation, dissolution or winding-up of the Bank, without the approval of the holders of the Preferred Shares Series C. Subject to this restriction, the Bank may issue additional series of Class 1 Preferred Shares without the authorization of holders of Class 1 Preferred Shares Series C.

Amendment of Preferred Shares Series C

The rights, privileges, restrictions and conditions of the Preferred Shares Series C may be amended, deleted, varied, modified or amplified by resolution enacted by the Board of Directors and confirmed by at least two-thirds of the Preferred Shares Series C voted at a meeting of the holders of Preferred Shares Series C duly called for the purpose and at which a quorum is present and subject to any other approval required by law and subject to the provisions described above under “— Certain Provisions of the Class 1 Preferred Shares as a Class — Shareholder Approvals”.

Voting Rights

Subject to the provisions of the Bank Act, the holders of Preferred Shares Series C as such will not be entitled 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 or part thereof have become extinguished as described under “Dividends” above. In that event, the holders of the Preferred Shares Series C will be entitled to receive notice of, and to attend, all meetings of the shareholders at which directors are to be elected and, in respect of the election of directors, will be entitled to one vote for each share held. The voting rights of the holders of Preferred Shares Series C, and their right to receive notice of and to attend meetings, will forthwith cease upon the payment by the Bank of the whole amount of the first quarterly dividend declared on the Preferred Shares Series C

after the time such rights first arose. At such time as the entitlement of such holders to any subsequent undeclared dividends or part thereof on the Preferred Shares Series C has again become extinguished, such voting rights and rights to receive notice of, and to attend, meetings will become effective again and so on from time to time.

In connection with any action to be taken by the Bank which requires the approval of the holders of Preferred Shares Series C voting as a series or as part of a class, each such share will entitle the holder thereof to one vote.

Tax Election

The Bank will make the necessary election under Part VI.1 of the Tax Act so that corporate holders of Preferred Shares Series C will not be subject to tax under Part IV.1 of the Tax Act on dividends paid (or deemed to be paid) by the Bank on the Preferred Shares Series C.

DEPOSITORY SERVICES

Book-Entry Only Form

Except as otherwise provided below, the Preferred Shares Series C will be issued in “book-entry only” form and must be purchased or transferred through participants (the “Participants”) in the depository service of The Canadian Depository for Securities Limited or a successor (collectively, “CDS”). Participants include securities brokers and dealers, banks and trust companies. On the closing date, the Bank will cause a global certificate representing the Preferred Shares Series C to be delivered to, and registered in the name of, CDS or its nominee. Except as otherwise provided below, no purchaser of Preferred Shares Series C 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 Preferred Shares Series C will receive a customer confirmation of purchase from the registered dealer from which the Preferred Shares Series C 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 its participants having interests in the Preferred Shares Series C.

Neither the Bank nor the Underwriters will assume any liability for (a) any aspect of the records relating to the beneficial ownership of the Preferred Shares Series C held through CDS or the payments or deliveries relating thereto, (b) maintaining, supervising or reviewing any records relating to the Preferred Shares Series C, or (c) 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. 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 Preferred Shares Series C must look solely to Participants, for payments or deliveries made by or on behalf of the Bank to CDS in respect of Preferred Shares Series C.

If (a) required to do so by applicable law or the rules of any securities exchange, (b) the book-entry only system ceases to exist, (c) the Bank determines that CDS is no longer willing or able to discharge properly the responsibilities as depository with respect to the Preferred Shares Series C and the Bank is unable to locate a qualified successor, or (d) the Bank at its option elects, or is required by law, to withdraw the Preferred Shares Series C from the book-entry only system, then physical certificates representing the Preferred Shares Series C will be issued to beneficial owners thereof or their nominees.

Manner of Effecting Transfer, Redemption or Conversion

A transfer, redemption or conversion of Preferred Shares Series C will be effected only through records maintained by CDS or its nominee with respect to interests of Participants, and on the records of Participants with respect to interests of persons other than Participants. Purchasers of Preferred Shares Series C who are not Participants, but who desire to redeem, convert, purchase, sell or otherwise transfer ownership of, or other interests in, the Preferred Shares Series C, may do so only through Participants.

The ability of a purchaser to pledge Preferred Shares Series C or otherwise take action with respect to such purchaser's interest in Preferred Shares Series C (other than through a Participant) may be limited due to the lack of a physical certificate. See "Restrictions on Bank Shares Under the Bank Act".

Payment of Dividends and Other Amounts

Payments of dividends and other amounts in respect of the Preferred Shares Series C will be made by the Bank to CDS or its nominee, as the case may be, as the registered holder of the Preferred Shares Series C. As long as CDS is the registered holder of the Preferred Shares Series C, CDS will be considered the sole owner of the Preferred Shares Series C for the purposes of receiving payments on the Preferred Shares Series C.

The Bank expects that CDS, upon receipt of any payment in respect of the Preferred Shares Series C, will credit the Participants' accounts, on the date an amount is payable, with payments in amounts proportionate to the number of Preferred Shares Series C held by such Participants as shown on the records of CDS. The Bank also expects that payments by the Participants to the owners of beneficial interests in such Preferred Shares Series C held through such 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 Participants. The responsibility and liability of the Bank in respect of payments on the Preferred Shares Series C issued in book-entry form are limited to making payment of any amount due on such Preferred Shares Series C to CDS or its nominee.

BANK ACT RESTRICTIONS

Under the Bank Act, the Bank, with the prior consent of the Superintendent, may redeem or purchase any of its shares, including the Preferred Shares Series C, unless there are reasonable grounds for believing that the Bank is, or the redemption or purchase would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms of liquidity, or any direction to the Bank made by the Superintendent pursuant to Subsection 485(3) of the Bank Act regarding its capital or its liquidity. No such direction to the Bank has been made to date.

The Bank is prohibited under the Bank Act from paying or declaring a dividend if there are reasonable grounds for believing that the Bank is, or the payment would cause the Bank to be, in contravention of any regulation made under the Bank Act respecting the maintenance by banks of adequate capital and adequate and appropriate forms of liquidity, or any direction to the Bank made by the Superintendent pursuant to Subsection 485(3) of the Bank Act regarding its capital or its liquidity. As at the date hereof, this limitation would not restrict a payment of quarterly dividends on the Preferred Shares Series C. Further, no such direction to the Bank has been made to date.

The Bank is also prohibited under Subsection 79(5) of the Bank Act from paying or declaring a dividend in any financial year without the approval of the Superintendent if, on the day the dividend is declared, the total of all dividends declared by the Bank in that year would exceed the aggregate of the Bank's net income up to that day in that year and of its retained net income for the preceding two financial years.

RESTRAINTS ON BANK SHARES UNDER THE BANK ACT

The Bank Act contains restrictions on the allotment, issuance, transfer, acquisition, beneficial ownership, holding and voting of all shares of a chartered bank. By way of summary, no person, or persons acting jointly or in concert, may have a "significant interest" in any class of shares of any Schedule II bank, a category which includes the Bank, without the approval of the Minister of Finance. For the purposes of the Bank Act, a person has a significant interest in a class of shares of a bank if the total number of shares of that class beneficially owned by that person and entities controlled by that person and by any person acting jointly or in concert with that person exceeds or would thereby exceed 10% of the outstanding shares of that class.

Purchasers of the Preferred Shares Series C may be required to furnish declarations relative to ownership in a form prescribed by the Bank.

COMMON SHARES

Holders of Common Shares are entitled to one vote per share at all meetings of the shareholders of the Bank, except meetings where only holders of other classes or series of shares of the Bank are entitled to vote. Subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares of the Bank, holders of Common Shares have the right to receive dividends on the Common Shares, as and when declared by the Board of Directors to the exclusion of any other class of shares of the Bank. Common Shares, as a class, rank junior to all other classes of shares in the capital of the Bank with respect to any distribution of assets of the Bank in the event of the liquidation, dissolution or winding-up of the Bank, whether voluntary or involuntary, or any other distribution of the assets of the Bank among its shareholders for the purpose of winding-up its affairs.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais 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 beneficial owner of Preferred Shares Series C acquired pursuant to this prospectus who, within the meaning of the Tax Act, is resident or deemed to be resident in Canada, deals at arm's length and is not affiliated with the Bank, holds the Preferred Shares Series C, and will hold any New Preferred Shares, as capital property. This summary does not take into account the "mark-to-market" rules contained in the Tax Act which apply to certain financial institutions. Furthermore, the summary does not apply to a "specified financial institution" (as defined in the Tax Act) that receives (or is deemed to receive), either 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 Preferred Shares Series C or any New Preferred Shares outstanding at the time a dividend is received. This summary also assumes that all issued and outstanding Preferred Shares Series C or any New Preferred Shares are listed on a prescribed stock exchange in Canada (as defined in the Tax Act) at such times as dividends (including deemed dividends) are received on such shares.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Consequently, investors are urged to consult their own tax advisors with respect to their particular circumstances.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by the Minister of Finance prior to the date hereof (the "Proposals") and counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency. No assurances can be given that the Proposals will become law as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposals, does not otherwise take into account any changes in law, whether by legislative, governmental or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax considerations.

Dividends

Dividends (including deemed dividends) received on the Preferred Shares Series C by an individual (other than certain trusts) will be included in computing 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.

Dividends (including deemed dividends) received on the Preferred Shares Series C by a corporation will be included in computing income and generally will be deductible in computing the taxable income of the corporation. The Preferred Shares Series C will be "taxable preferred shares" as defined in the Tax Act. The terms of the Preferred Shares Series C require the Bank to make the necessary election under Part VI.1 of the Tax Act so that corporate shareholders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Preferred Shares Series C.

A "private corporation", as defined in the Tax Act, or any other 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 (including deemed dividends) received on the Preferred Shares Series C to the extent such dividends are deductible in computing its taxable income.

Disposition

A holder of the Preferred Shares Series C who disposes of or is deemed to dispose of the Preferred Shares Series C (including on purchase for cancellation or redemption of the shares for cash or otherwise, but not on conversion) 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 the holder thereof. The amount of any deemed dividend arising on the redemption, acquisition or cancellation by the Bank of the Preferred Shares Series C will generally not be included in computing a holder's proceeds of disposition for purposes of computing the capital gain or loss arising on the disposition of such shares (see "Redemption" below). In the case of a holder that is a corporation, the amount of any capital loss otherwise determined may be reduced by the amount of dividends (including deemed dividends) previously received on the shares to the extent and under the circumstances described in the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Generally, one-half of any such capital gain will be included in computing the holder's income as a taxable capital gain and one-half of any such capital loss may be deducted from the holder's net taxable capital gains in accordance with the rules contained in the Tax Act. Taxable capital gains of a Canadian controlled private corporation (as defined in the Tax Act) may be subject to an additional refundable tax of 6²/₃% on certain investment income, including amounts in respect of net taxable capital gains. Capital gains realized by an individual may give rise to a liability for alternative minimum tax under the Tax Act.

Redemption

If the Bank redeems, cancels or otherwise acquires Preferred Shares Series C other than by a purchase in the manner in which such shares are normally purchased by a member of the public in the open market or by reason of a conversion of Preferred Shares Series C, 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 by the Bank and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing any capital gain or capital loss arising on the disposition of such shares. In the case of a corporate shareholder, 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.

Conversion

The conversion of the Preferred Shares Series C into 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 New Preferred Shares received on the conversion will be deemed to be equal to the adjusted cost base to such holder of the converted Preferred Shares Series C immediately before the conversion. The cost of a New Preferred Share so obtained will be averaged with the adjusted cost base of all other New Preferred Shares held by such holder as capital property for the purpose of determining thereafter the adjusted cost base of such shares.

The Canadian federal income tax considerations described above for a holder of Preferred Shares Series C will generally be applicable, with necessary changes, to the beneficial owners of New Preferred Shares.

Eligibility for Investment

The Preferred Shares Series C and the New Preferred Shares would be, if issued on the date hereof and as and when listed on a prescribed stock exchange as defined in the Tax Act, qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans (collectively, "Deferred Plans"), and registered education savings plans and may be held in such plans subject to the terms of the particular plan or trust, and will not be prohibited investments for registered pension plans. The Preferred Shares Series C and the New Preferred Shares will not be foreign property for purposes of Part XI of the Tax Act. The Federal Budget of February 23, 2005 proposes that the limit in respect of foreign property that may be

held by Deferred Plans and registered pension plans be eliminated for months that end in the 2005 and subsequent calendar years. No assurance can be given that this proposal will become law as proposed or at all.

RATINGS

The Preferred Shares Series C have been provisionally rated “Pfd-2(high)n” with a stable trend by Dominion Bond Rating Service Limited (“DBRS”). “Pfd-2” is the second highest of six rating categories granted by DBRS for preferred shares generally. A reference to “high” or “low” reflects the relative strength within the rating category and the stable trend refers to DBRS’s outlook regarding the rating. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category. The reference to “n” signifies that the preferred shares are non-cumulative. The DBRS preferred share rating scale is meant to give an indication of the risk that an issuer will not fulfill its full obligations in a timely manner, with respect to both dividend and principal commitments. Preferred shares rated Pfd-2 are of satisfactory credit quality.

The Preferred Shares Series C have been provisionally rated “P-1(Low)” by Standard & Poor’s (“S&P”) using the S&P Canadian national scale for preferred shares and “A–” using S&P’s global scale for preferred shares. “P-1” is the highest of eight categories of ratings used by S&P on its Canadian preferred share scale, and the “A” rating is the second highest of the nine categories used by S&P on its global 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 strength within the rating category. The absence of either a “high” or “low” or a “+” or “-” designation indicates the rating is in the middle of the category where such designations are used. Preferred share ratings address the issuer’s capacity and willingness to pay dividends on a timely basis. They address the likelihood of timely payment of dividends, notwithstanding the legal ability to pass on or defer a dividend payment.

Prospective purchasers of Preferred Shares Series C should consult the rating organization with respect to the interpretation and implications of the foregoing provisional ratings. Neither of the foregoing ratings should be construed as a recommendation to buy, sell or hold the Preferred Shares Series C offered hereby. Either of the foregoing ratings may be revised or withdrawn at any time by the relevant rating organization.

SUBORDINATED DEBENTURES, NON-CONTROLLING INTEREST IN TRUST AND SUBSIDIARY AND SHAREHOLDERS’ EQUITY

Certain selected consolidated financial data set forth below has been derived from the Bank’s audited consolidated financial statements and related notes for the year ended December 31, 2004. The table below shows the subordinated debentures, non-controlling interest in trust and subsidiary and shareholders’ equity of the Bank as at December 31, 2004.

	December 31, 2004
	(\$ millions)
Subordinated Debentures	426
Non-controlling Interest in Trust and Subsidiary (1)	230
Shareholders’ Equity	
Preferred Shares (2)	125
Common Shares	1,125
Contributed Surplus	177
Retained Earnings	770

(1) Includes \$200 million of HSBC Canada Asset Trust Securities. On March 29, 2005 HSBC Canada Asset Trust filed a preliminary prospectus in respect of a proposed offering of a new series of HSBC Canada Asset Trust Securities. This table does not take into account this proposed offering.

(2) After giving effect to the Offering, Capital Stock — Preferred Shares would have amounted to \$275 million (or \$375 million if the Option (as defined under “Plan of Distribution”) is exercised in full) as at December 31, 2004.

EARNINGS COVERAGE

The Bank's dividend requirements on all its outstanding Class 1 Preferred Shares, after giving effect to the issue of the Preferred Shares Series C to be distributed under this prospectus (but before exercise of the Option (as defined under "Plan of Distribution")), and adjusted to a before-tax equivalent using an effective income tax rate of 35.5%, amounted to \$24 million for the 12 months ended December 31, 2004. The Bank's interest requirements on debentures for the 12 months ended December 31, 2004 amounted to \$34 million. The Bank's income from continuing operations before provision for income taxes and interest on debentures, but after deducting non-controlling interest in the income of HSBC Canada Asset Trust for the 12 months ended December 31, 2004 was \$592 million, which is 10.2 times the Bank's aggregate dividend and interest requirements for this period.

PLAN OF DISTRIBUTION

Pursuant to an agreement (the "Underwriting Agreement") dated April 1, 2005 among HSBC Bank Canada and HSBC Securities (Canada) Inc., TD Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Desjardins Securities Inc., National Bank Financial Inc. and Trilon Securities Corporation (collectively, the "Underwriters"), HSBC Bank Canada has agreed to sell, and the Underwriters have agreed to purchase, on April 19, 2005, or on such other date not later than May 13, 2005 as may be agreed upon, all but not less than all of the 6,000,000 Preferred Shares Series C at a price of \$25.00 per share, subject to the terms and conditions set forth therein. HSBC Bank Canada has agreed to pay to the Underwriters a fee per Preferred Share Series C equal to \$0.25 with respect to Preferred Shares Series C sold to certain institutions and \$0.75 with respect to all other Preferred Shares Series C. Assuming that no Preferred Shares Series C are sold to such institutions, the aggregate Underwriters' fee will be \$4,500,000. The Bank has also granted to the Underwriters an option to purchase up to an additional 4,000,000 Preferred Shares Series C (the "Option") at the offering price, exercisable until 48 hours prior to the closing date. This prospectus qualifies the granting of the Option and the distribution of any additional Preferred Shares Series C issued upon the exercise of the Option.

The Underwriting Agreement also provides that the Underwriters may, at their discretion, terminate their obligations thereunder in certain circumstances. The Underwriters have agreed, subject to the terms and conditions set forth in the Underwriting Agreement, to purchase all of the Preferred Shares Series C to be purchased by them if any of the Preferred Shares Series C being sold pursuant to the Underwriting Agreement are purchased.

The Offering is being made concurrently in all provinces and territories of Canada. The Preferred Shares Series C have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "1933 Act") and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States or for the benefit of U.S. persons (as defined in Regulation S under the 1933 Act).

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers (Québec), the Underwriters may not, throughout the period of distribution under this prospectus, bid for or purchase the Preferred Shares Series C. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, such securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by Market Regulation Services Inc. relating to market stabilization and passive market making activities, and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution. In connection with the Offering and subject to the foregoing and to applicable law, the Underwriters may over-allot or effect transactions intended to stabilize or maintain the market price of the Preferred Shares Series C at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

HSBC Securities (Canada) Inc., one of the Underwriters, is an indirect wholly owned subsidiary of HSBC Bank Canada. As a result, HSBC Bank Canada is a related issuer of HSBC Securities (Canada) Inc. The terms of the Offering were negotiated at arm's length between HSBC Bank Canada and the Underwriters. HSBC Securities (Canada) Inc. will not receive any benefit in connection with the Offering other than as described herein. TD Securities Inc., an underwriter in respect of which HSBC Bank Canada is not a related or connected issuer, participated in the due diligence, pricing and structuring of the Offering as well as in the preparation of this prospectus.

USE OF PROCEEDS

The estimated net proceeds to HSBC Bank Canada from the issue and sale of the Preferred Shares Series C offered hereby, after deducting the Underwriters' fee and the estimated expenses of the Offering, are approximately \$145,100,000 (or \$242,100,000 if the Option is exercised in full) (assuming in each case there are no sales of Preferred Shares Series C to certain institutions). The Bank intends to use the net proceeds from the Offering for general corporate purposes. The purpose of this issue is to increase the Bank's Tier 1 capital base.

RISK FACTORS

An investment in Preferred Shares Series C of the Bank is subject to certain risks.

The value of Preferred Shares Series C will be affected by the general creditworthiness of the Bank. The section entitled "Management's Discussion and Analysis" contained in the Bank's Annual Report for the year ended December 31, 2004, is incorporated by reference into this prospectus. This analysis discusses, among other things, known material trends and events, and risks or uncertainties that are reasonably expected to have a material effect on the Bank's business, financial condition or results of operations.

Real or anticipated changes in credit ratings on the Preferred Shares Series C may affect the market value of the Preferred Shares Series C. In addition, real or anticipated changes in credit ratings can affect the cost at which the Bank can transact or obtain funding, and thereby affect the Bank's liquidity, business, financial condition or results of operations.

See "Earnings Coverage" and "Subordinated Debentures, Non-Controlling Interest in Trust and Subsidiary and Shareholders' Equity", which are relevant to an assessment of the risk that the Bank will be unable to pay dividends on the Preferred Shares Series C.

The Preferred Shares Series C are equity capital of the Bank which rank equally with other Class 1 Preferred Shares of the Bank and any other class of shares ranking on parity with the Class 1 Preferred Shares in the event of an insolvency or winding-up of the Bank. If the Bank becomes insolvent or is wound-up, the Bank's assets must be used to pay deposit liabilities and other debt, including subordinated debt, before payments may be made on Preferred Shares Series C and other preferred shares.

Prevailing yields on similar securities will affect the market value of Preferred Shares Series C. Assuming all other factors remain unchanged, the market value of the Preferred Shares Series C will decline as prevailing yields for similar securities rise, and will increase as prevailing yields for similar securities decline.

The Bank has entered into, and may in the future enter into, agreements in connection with the offering of trust capital securities of HSBC Canada Asset Trust, pursuant to which it will covenant not to declare and pay dividends on any shares in its capital, including the Preferred Shares Series C, 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, HSBC Bank Canada may not be able to declare and pay dividends on the Preferred Shares Series C.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by Borden Ladner Gervais LLP, on behalf of the Bank, and by Stikeman Elliott LLP, on behalf of the Underwriters. The partners, counsel and associates of Borden Ladner Gervais LLP and Stikeman Elliott LLP, respectively as a group, beneficially own, directly or indirectly, less than one per cent of any class of security issued by the Bank.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. will be appointed as transfer agent and registrar in respect of the Preferred Shares Series C. The Preferred Shares Series C will be issued in book-entry only form through CDS. Subject to the CDS procedures, registration and transfer of the Preferred Shares Series C may be effected at the principal offices of Computershare Investor Services Inc. in Vancouver and Toronto.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF THE BANK

Dated: April 8, 2005

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all provinces and territories of Canada. For the purposes of the Province of Québec, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

(Signed) LINDSAY GORDON
President and
Chief Executive Officer

(Signed) GRAHAM A. MCISAAC
Chief Financial Officer

On behalf of the Board of Directors

(Signed) ROBERT W. MARTIN
Director

(Signed) ROSS S. SMITH
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: April 8, 2005

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of all provinces and territories of Canada. For the purposes of the Province of Québec, to our knowledge, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

HSBC SECURITIES (CANADA) INC.

By: (Signed) CATHERINE J. CODE

TD SECURITIES INC.

By: (Signed) J. DAVID BEATTIE

RBC DOMINION SECURITIES INC.

By: (Signed) BARRY NOWOSELSKI

SCOTIA CAPITAL INC.

By: (Signed) MARY ROBERTSON

BMO NESBITT BURNS INC.

By: (Signed) BRADLEY J. HARDIE

CIBC WORLD MARKETS INC.

By: (Signed) DONALD A. FOX

DESJARDINS SECURITIES INC.

By: (Signed) JEFFREY F. OLIN

NATIONAL BANK FINANCIAL INC.

By: (Signed) MICHAEL D. SHUH

TRILON SECURITIES CORPORATION

By: (Signed) TREVOR D. KERR

AUDITORS' CONSENT

We have read the short form prospectus of HSBC Bank Canada (the "Bank") dated April 8, 2005 relating to the issue of Class 1 Preferred Shares Series C. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use, through incorporation by reference into the above-mentioned prospectus, of our report dated January 28, 2005 to the shareholders of the Bank on the following consolidated financial statements of the Bank:

- consolidated balance sheets as at December 31, 2004 and December 31, 2003; and
- consolidated statements of income, changes in shareholders' equity and cash flows for each of the years then ended.

(Signed) KPMG LLP
Vancouver, Canada
April 8, 2005

