



HSBC Bank Canada in the Community

2017 Public Accountability Statement

About this document

This Public Accountability Statement describes HSBC Bank Canada's community investment programs, contribution to the economy and initiatives that are making it easier for our customers to reach their financial goals.

It describes the 2017 activities and initiatives of HSBC Bank Canada and its Canadian subsidiaries and affiliates, which include:

HSBC Bank Canada	HSBC Mortgage Corporation (Canada)
HSBC Capital (Canada) Inc.	HSBC Securities (Canada) Inc.
HSBC Investment Funds (Canada) Inc.	HSBC Trust Company (Canada)
HSBC Global Asset Management (Canada) Limited	HSBC Finance Mortgages Inc.
HSBC Private Wealth Services (Canada) Inc.	

This Public Accountability Statement complements the HSBC Group's [Environmental, Social and Governance Update](#).

About HSBC Bank Canada

HSBC Bank Canada helps organizations and individuals across Canada do business and manage their finances internationally through three global business lines: Commercial Banking, Global Banking and Markets, and Retail Banking and Wealth Management. Canada is a priority market for the HSBC Group – one of the world's largest banking and financial services groups with assets of US\$2,552 billion at 31 December 2017. Linked by advanced technology, HSBC serves customers worldwide through an international network of around 3,900 offices in 67 countries and territories in Europe, Asia, North and Latin America, and the Middle East and North Africa.

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*Unless otherwise stated, all funds are expressed in Canadian dollars.

Sustainability

At HSBC, sustainability means building our business for the long term by balancing social, environmental and economic considerations in the decisions we make. This enables us to foster growth which is both sustainable and commercially viable.

Now more than ever, there is a need to develop the skills, business innovation and low-carbon solutions needed to secure long-term prosperity for all. For HSBC, these are the key elements of sustainable growth which we can influence. HSBC's commercial and philanthropic activities now support three key themes: sustainable finance, sustainable networks and entrepreneurship, and future skills.

Sustainable Finance

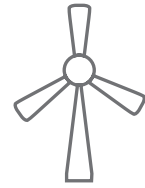
As one of the world's largest banking and financial services organizations, HSBC aspires to be a leading global partner in the transition to a low-carbon future. We work with our customers to provide financing to enable the transition to a low-carbon economy and we help them manage transition risk. Globally, we have committed to provide US\$100 billion to sustainable financing and investments by 2025. Improving the efficiency of our own operations is also part of our commitment, and we are aiming to source 100% of our electricity from renewable sources by 2030.



Best Corporate Citizens in Canada in 2017, according to [Corporate Knights](#) magazine

Sustainable Networks and Entrepreneurship

Sustainable growth is supported by resilient and responsible international trade networks. We will work with our corporate partners and charitable organizations to promote business practices that protect the environment and human rights, while helping new companies emerge and grow.



US\$569M

Volume of green bonds facilitated by HSBC Bank Canada in 2017 (source: Dealogic; HSBC portion of notional value)

Future Skills

In a rapidly changing world, workplace skills and financial literacy are more important than ever. We support our employees, customers and communities in developing the financial capability and employability skills they need to succeed in the global economy.

For more information about HSBC's global commitment to sustainability, please visit [hsbc.com/sustainability](https://www.hsbc.com/sustainability).



US\$100B

Globally pledged to support sustainable financing and investment by 2025, with Canada being a key market for this initiative

Community Investment

HSBC Bank Canada's community investment activities are part of HSBC Group's global, comprehensive commitment to sustainability. We support programs that have a measurable impact in the areas of sustainable finance, sustainable networks and entrepreneurship, and future skills.

Community Investment Programs in 2017



150

Global HSBC 150th Anniversary Community Fund

A US\$150 million fund was distributed to 140 charities worldwide over a three-year period (2015-17), including eight in Canada. Education, environment and children's health were selected as key themes by employees in Canada.

- ◆ [Alberta Children's Hospital Foundation](#)
- ◆ [BC Children's Hospital Foundation](#)
- ◆ [Canadian Wildlife Federation](#)
- ◆ [Children's Aid Foundation of Canada](#)
- ◆ [The Montreal Children's Hospital Foundation](#)
- ◆ [Pathways to Education Canada](#)
- ◆ [SickKids Foundation](#)
- ◆ [World Wildlife Fund – Canada](#)



HSBC Bank Canada Programs

Our local support in 2017 focused on the following charitable partners.

- | | |
|---|--|
| ◆ ABC Life Literacy Canada | ◆ HSBC Bank Canada Volunteer Fund |
| ◆ Arts Umbrella | ◆ Indspire |
| ◆ Breakfast Club of Canada | ◆ Junior Achievement Canada |
| ◆ Canadian Red Cross | ◆ Mon Sheong Foundation |
| ◆ Children's Aid Foundation of Canada | ◆ Pathways to Education Canada |
| ◆ The Donald Berman Yaldei Developmental Center | ◆ RiverWatch |
| ◆ Earth Rangers | ◆ Science World British Columbia |
| ◆ Enactus Canada | ◆ S.U.C.C.E.S.S. Foundation |
| ◆ ENSEMBLE for the respect of diversity | ◆ United Way Centraide Canada |
| ◆ Evergreen | ◆ Youth Employment Services |



HSBC Group Community Investment Programs

The following global programs are funded by the HSBC Group and delivered in Canada.

- ◆ [Canadian Red Cross](#)
- ◆ [HSBC Water Programme](#)
- ◆ [HSBC Youth Opportunities Programme](#)
- ◆ [Junior Achievement More Than Money](#)

Community Investment

In 2017, HSBC Bank Canada donated \$7,134,330 to registered Canadian charities. An important focus for us is organizations that support children and youth, and our donations will help more than 164,000 young people access high-quality programs. This includes special funding made available through the global [HSBC 150th Anniversary Community Fund](#).

In addition, the HSBC Group donated US\$249,000 in 2017 to support Canadian initiatives, including matched support for Canadian Red Cross disaster relief appeals, the [HSBC Youth Opportunities Programme](#) for vulnerable children and youth, and the **Junior Achievement More than Money** program.

Investing in our communities extends beyond financial donations. We encourage our employees to volunteer their time, and in 2017 they reported spending 6,034 paid work hours volunteering. They also raised more than \$451,000 during our annual United Way employee giving campaign, bringing the matched total donation to \$751,136.



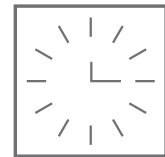
US\$7.1M

Donated to community programs across Canada



164,000+

Children and youth benefiting from programs



6,000+

Hours volunteered by HSBC employees during work hours

Setting Children up for Future Success: Breakfast Club of Canada

In celebration of Canada's 150th anniversary, HSBC donated \$1 million to [Breakfast Club of Canada \(BCC\)](#) to fund programs in Vancouver, Calgary, Saskatoon, Toronto and Montreal over a three-year period (2017-20).

With HSBC's support, more than 4,500 children will have access to a nutritious breakfast every school morning for the next three years, and 50 school kitchens will be equipped to prepare a healthy breakfast. In addition, more than 90 employees volunteer on a weekly basis at five schools across Canada.

HSBC also launched the **HSBC Future Leaders** initiative in partnership with BCC, recognizing seven young Canadians from across Canada who are making a difference in their community. Each student received \$1,000 in an HSBC High Rate Savings Account to support their education, and students were celebrated at an event with special guest and keynote speaker, Colonel Chris Hadfield.

Empowering Young People with Financial Capability: Junior Achievement Canada

In 2017, [Junior Achievement \(JA\)](#) expanded its successful **More than Money** program to new locations through a combined donation of more than \$175,000 from HSBC Bank Canada and the HSBC Group (2017-18).

More than Money is a global HSBC-supported program that teaches young people in grades 3-5 how to manage money. The program also explores the role businesses play in their communities and introduces students to how global economies and trade work.

In Canada, the program has been delivered since 2013 in communities in central Ontario and northern Alberta. Our expanded support in 2017 enabled the program to reach students in Quebec, southern Alberta and British Columbia for the first time, with more than 4,550 children participating in financial literacy programming in the 2017-18 school year.

HSBC employee volunteers also help deliver the program in classrooms. JA provides volunteers with learning materials and training, and volunteers work with students on real-world problems to introduce them to important life skills in money management. In the 2017-18 school year, 78 employees volunteered 680 hours in their community with JA as part of this valuable initiative.

Partnering for Future Success: Children's Aid Foundation, Indspire, Pathways to Education Canada, and United Way

In 2017, HSBC committed an additional \$4 million to four leading Canadian charities that we have supported through multi-year donations for several years. This brings our total commitment to the Children's Aid Foundation of Canada, Indspire, Pathways to Education Canada and the United Way to \$11 million over six years (2014-20).

These organizations are making a profound difference in the lives of some of Canada's most at-risk young people. With programming delivered from coast to coast, the four organizations work to help young Canadians achieve their educational goals and reach their full potential.

- ◆ [Children's Aid Foundation of Canada](#): The **HSBC National Transformation Project** is helping to increase graduation rates by providing flexible and intensive educational and social supports to vulnerable children and youth with lived experience in the child welfare system from the primary to the undergraduate level.
- ◆ [Pathways to Education Canada](#): The **Pathways to Education Program™** provides youth in low-income communities with the resources they need to overcome barriers to education, graduate from high school and transition to post-secondary education, training or employment.
- ◆ [Indspire](#): Indigenous students receive a **\$5,000 HSBC Indigenous Business Award** scholarship in support of their post-secondary schooling, increasing their ability to focus on their studies and achieve their ambitions.
- ◆ [United Way Centraide Canada](#): HSBC funds United Way programs that offer a place for at-risk school-aged children to go after school where they can be safe, healthy and supported to succeed.

By 2020, we expect that more than 7,800 youth – including Indigenous youth and young people who are at-risk, from low-income communities or involved in the child welfare system – will have benefited from HSBC-supported programming delivered by these leading organizations.

Building a Brighter Future for Nature: the HSBC Water Programme, Evergreen, and RiverWatch

The [HSBC Water Programme](#) is an eight-year (2012-20), US\$150 million program in partnership with Earthwatch, WaterAid and the World Wildlife Fund that aims to protect water sources, inform and educate communities, and enable people to prosper.

Since 2012, 1,826 kilometres of river and 527,411 hectares of wetland have been protected through this program, and over 1.6 million people now have access to clean water and 2.5 million have access to sanitation in six countries across two continents.

In 2017, a free public exhibition on the global water crisis by award-winning photographer Mustafah Abdulaziz was presented in Vancouver with the Programme's support. The exhibition of large-scale photographs dramatically highlighted the effects of urbanization, poor sanitation, pollution, water scarcity and contamination, and expanding industry and population on landscapes and communities.

The **HSBC Water Programme** has also enabled more than 8,000 HSBC employees around the world, including over 400 in Canada, to complete Citizen Science Leader training. These employees have contributed to global research by collecting and recording data used to monitor local streams and rivers.

In Canada, HSBC supports several environmental organizations, including Evergreen and RiverWatch. Our support for the **HSBC Evergreen Urban Action for Nature** program (2015-18) has encouraged young people to engage in environmental stewardship, and our support for the RiverWatch school programs (2011-18), as well as the **CreekWatch** program (2014-18) has promoted community-based environmental monitoring in Alberta.

Employees in Canada

HSBC's success is built on our ability to attract, develop and retain a diverse workforce comprised of the best and brightest talent. With a footprint that spans the globe, diversity of thought, perspective and experience is part of our DNA.

Employees in Canada

We work hard to build and maintain our inclusive, positive and performance-oriented culture. In 2017, HSBC Bank Canada was recognized by the Government of Canada with an [Employment Equity Achievement Award](#) for outstanding commitment to creating a diverse and inclusive workplace.

We offer opportunities across our organization for employees to build a fulfilling career and work with colleagues and customers around the world. We reward performance, and we offer extensive training and career development opportunities as well as flexible benefit packages and working arrangements.

To learn more about our approach to diversity and inclusion, benefits packages and career opportunities, visit www.hsbc.ca/careers.

HSBC Employees in Canada (at December 31, 2017)

Province	Regular Full-Time	Regular Part-Time	Temporary Full-Time	Temporary Part-time	Total
British Columbia	2,580	188	32	10	2,810
Alberta	278	34	4	1	317
Saskatchewan	27	3	0	0	30
Manitoba	18	3	0	0	21
Ontario	1,839	101	34	0	1,974
Quebec	443	52	2	0	497
New Brunswick	5	2	0	0	7
Newfoundland and Labrador	9	1	0	0	10
Nova Scotia	15	2	0	0	17
Prince Edward Island ¹	0	0	0	0	0
Grand Total	5,214	386	72	11	5,683

¹ HSBC Bank Canada does not have operations in Prince Edward Island.



In financial services for gender diversity, with the highest percentage of women in executive positions, according to [Corporate Knights](#) magazine in 2017.



50/50

HSBC Bank Canada's Board of Directors remained gender-balanced since 2013.



60%

Of senior leadership roles held by women.

Access to Financial Services

Our customers are at the heart of what we do, and we constantly seek to improve their banking experience to ensure they have the financial tools they need to grow and thrive. In 2017, we continued to invest in our Retail Banking and Wealth Management business, updating our branches and products to deliver simpler, faster and better service for everyone.

Accessing Our Products and Services

We offer a range of channels for customers to bank with us, including in person, online and telephone banking.

In 2017, we continued to make enhancements to improve our customers' experience. This included doubling the number of branches open on Saturdays and introducing mobile cheque deposit and free Interac e-Transfers® – making it easier for all our customers to access our products, systems and services in a way that best suits their needs.

Our commitment to inclusivity is demonstrated by our requirement that employees complete accessible customer service training to better understand their role in ensuring everyone can safely access our premises, products and services.

Special Account Packages for Individuals

HSBC Bank Canada is a signatory to the federal government's initiative to ensure Canadians have access to basic banking services at low cost or no cost, and we offer accounts designed specifically to meet a variety of financial service needs.

Our **Performance Chequing-Limited** account is available free to seniors aged 60 years and over, registered secondary and post-secondary students, youth (ages 0 to 18) and beneficiaries of Registered Disabled Savings Plans. For seniors who qualify for a full banking relationship, we continue to offer our **Performance Chequing-Unlimited** account with no minimum balance requirements and unlimited transactions.

We believe that income or credit history should not stand in the way of obtaining banking services, and we offer our customers access to an appropriate basic account regardless of their personal financial circumstances.

To find out more about our accounts and services, visit www.hsbc.ca.

Branch and ATM Openings, Relocations and Closures

HSBC Bank Canada's branch network aims to reach and fulfil our customers' needs. When making decisions about changes to our branch network, we carefully consider the interests of our customers, staff and community. At December 31, our branch network spanned 128 locations across Canada.

Openings

Province	City	Address	ATM/Branch
BC	Abbotsford	32412 South Fraser Way, V2T 1X3	2 ATMs
BC	Chilliwack	100B, 45850 Yale Road, V2P 2N9	2 ATMs
BC	Nanaimo	101 – 6551 Aulds Road, V9T 6K2	1 ATM
BC	Richmond	6168 No. 3 Road, V6Y 2B3	1 ATM
BC	Victoria	102 – 1831 Oak Bay Avenue, V8R 1E9	1 ATM
BC	Penticton	201 Main Street, V2A 5B1	1 ATM
ON	Markham	Unit T15, 1661 Denison Street, L3R 6E4	2 ATMs
ON	Oakville	499 Cornwall Road, Building H, Unit 1 L6J 7S8	1 ATM
ON	Ottawa	131 Queen Street, K1P 0A1	1 ATM
ON	Toronto	111 Yonge Street, M5C 1W4	1 ATM
ON	Toronto	3381 Steeles Avenue East, M2H 3S9	1 ATM
ON	Vaughan	9100 Jane Street, Building, K L4K 0A4	1 ATM

Relocations

Province	City	Address From	Address To	ATM/Branch
BC	Victoria	2154 Oak Bay Avenue, V8R 1E9	102 – 1831 Oak Bay Avenue, V8R 1E9	1 Branch and 1 ATM
ON	Markham	4390 Steeles Avenue East, L3R 9V7	Unit T15, 1661 Denison Street, L3R 6E4	1 Branch and 2 ATMs

Closures

Province	City	Address	ATM/Branch
BC	Cranbrook	928 Baker Street, V1C 1A5	1 Branch and 1 ATM
BC	Burnaby	338 Gilmore Street, V5C 3Z2	1 ATM
AB	Calgary	Suite 140, 815 17th Avenue SW, T2T 0A1	1 ATM
ON	Oshawa	793 Taunton Road East, L1H 7K5	1 Branch and 1 ATM
ON	Sault Ste. Marie	601 Queen Street East, P6A 2A6	1 Branch and 1 ATM
ON	St. Catharines	43 Church Street, L2R 7E1	1 Branch and 1 ATM
ON	Timmins	190 – 3rd Avenue, P4N 1C8	1 Branch and 1 ATM
ON	Thunder Bay	955 Alloy Drive, P7B 5Z8	1 Branch and 1 ATM
NB	Saint John	7 Market Square, E2L 5C8	1 Branch and 1 ATM
ON	Toronto	111 Yonge Street, M5C 1W4	1 ATM
ON	Toronto	3381 Steeles Avenue East, M2H 3S9	1 ATM
ON	Vaughan	9100 Jane Street, Building K L4K 0A4	1 ATM

Supporting Canadian Business Growth

HSBC empowers Canadian companies to do business here at home and globally. With an international network that covers more than 90% of global GDP, trade and capital flows, HSBC helps Canadian companies grow by connecting them to markets around the world. In 2017, we launched several new solutions to support small and medium-sized Canadian businesses as they grow and expand.

Canadian Business Growth Fund

HSBC Bank Canada is proud to be a founding shareholder of the Canadian Business Growth Fund (Fund). In partnership with government and other financial institutions, the independently operated Fund addresses a gap in the market for long-term capital, and will provide up to \$1 billion to Canadian businesses to bolster growth and innovation by making equity and associated investments in small and medium-sized enterprises.

HSBC Connections Hub

With more than three million small to mid-market business customer relationships across 67 countries and territories globally, HSBC Group is uniquely positioned to bridge the business gap between customers around the world. The recently launched [HSBC Connections Hub](#) does just that, enabling customers to connect with each other across our network. The hub also serves as a rich information portal featuring informative country guides to help businesses navigate the world of international trade and benefit from HSBC's insights.

Receivables Finance

In 2017 HSBC launched a new receivables finance product that offers a tailored financing solution to customers who trade on open account terms. Customers can access up to 90% of their receivables value as soon as they issue an invoice. In turn, this enables our customers to more flexibly meet their operating obligations and invest in their business growth.

To find out more about how we support Canadian business growth, visit www.hsbc.ca/business.

Debt Financing for Canadian Businesses

Amount of Debt Financing Authorized for Business in 2017

Authorizations (thousands of dollars)

	\$0 - \$24,999	\$25,000- \$99,999	\$100,000- \$249,999	\$250,000- \$499,999	\$500,000- \$999,999	\$1,000,000- \$4,999,999	\$5,000,000 and over	TOTAL
British Columbia	5,911	24,493	58,174	125,458	273,208	1,889,363	14,456,588	16,833,195
Alberta	1,458	10,073	26,524	47,095	110,303	844,336	12,711,341	13,751,130
Saskatchewan/ Manitoba ¹	296	1,869	4,245	12,549	17,956	184,716	1,393,678	1,615,309
Ontario	2,850	14,682	33,901	71,905	192,001	1,584,219	18,295,800	20,195,358
Quebec	1,699	10,822	27,170	45,712	102,422	777,602	7,427,641	8,393,068
New Brunswick/ Nova Scotia/ Newfoundland and Labrador ²	457	2,237	3,475	13,464	17,342	154,675	555,702	747,352
Prince Edward Island ³	-	-	-	-	-	-	-	-
TOTAL⁴	12,671	64,176	153,489	316,183	713,232	5,434,911	54,840,750	61,535,412

Number of Businesses to Which Debt Financing was Authorized in 2017

Number of Customers

	\$0 - \$24,999	\$25,000- \$99,999	\$100,000- \$249,999	\$250,000- \$499,999	\$500,000- \$999,999	\$1,000,000- \$4,999,999	\$5,000,000 and over	TOTAL
British Columbia	693	419	349	331	373	798	595	3,558
Alberta	192	165	155	129	153	320	326	1,440
Saskatchewan/ Manitoba ¹	46	31	24	36	23	76	55	291
Ontario	430	258	202	192	254	641	649	2,626
Quebec	264	185	165	120	138	309	254	1,435
New Brunswick/ Nova Scotia/ Newfoundland and Labrador ²	55	41	20	39	23	68	32	278
Prince Edward Island ³	-	-	-	-	-	-	-	-
TOTAL⁴	1,680	1,099	915	847	964	2,212	1,911	9,628

¹ Client counts and authorizations for Saskatchewan have been added to Manitoba data for the same dollar band to preserve confidentiality.

² Client counts and authorizations for New Brunswick have been added to Nova Scotia and Newfoundland data for the same dollar band to preserve confidentiality.

³ HSBC Bank Canada does not have bank branches in Prince Edward Island.

⁴ May not add due to rounding.

Taxes Paid in Canada

The HSBC Group contributes to the global economy by providing high-quality products and services to its customers, and also by paying remuneration to its employees, payments to its suppliers, dividends to its shareholders, and tax revenues to governments in the countries and territories where it operates.

Taxes Paid in Canada

We support all levels of government by paying income taxes, capital taxes, goods and services tax, provincial sales taxes and other taxes, including payroll taxes and municipal and property taxes. It is estimated that in 2017, HSBC Bank Canada and its subsidiaries will have paid more than \$308 million in taxes.¹

HSBC Bank Canada does not enter into or promote tax avoidance and works diligently to comply with its Canadian tax requirements. We observe the spirit as well as the letter of the law and deal with tax authorities in an open and honest manner.

Taxes Paid in Canada in 2017¹

(thousands of dollars)

	Income Taxes	Capital Taxes	Total Taxes
Federal	131,839	0	131,839
Provincial:			
British Columbia	41,039	0	41,039
Alberta	8,081	0	8,081
Saskatchewan	817	2,443	3,260
Manitoba	244	1,109	1,353
Ontario	35,495	0	35,495
Quebec	7,619	1,664	9,283
New Brunswick	153	412	565
Newfoundland and Labrador	276	929	1,205
Nova Scotia	443	839	1,282
Prince Edward Island ²	0	0	0
Total income and capital taxes	226,006	7,396	233,402
Goods and Services Tax and Provincial Sales Tax			36,790
Other taxes³			38,384
Total⁴			308,576

¹ Amount shown is an estimate and includes taxes paid and payable. Applicable tax filing deadlines fall in the second quarter of 2018.

² HSBC Bank Canada does not have operations in Prince Edward Island.

³ Other taxes include employer-paid payroll taxes and municipal and property taxes.

⁴ May not add due to rounding.

Key Contacts

Requesting a Charitable Contribution

HSBC Bank Canada supports community programs with a measurable impact in the areas of sustainable finance, sustainable networks and entrepreneurship, and future skills. If you are a registered Canadian charity active in one of these areas and would like us to consider supporting your work, please visit our [Community page](#) to see if your program fits with our areas of focus.

You can also email us at: corporate_sustainability@hsbc.ca.

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