



ELECTRONIC BANKING SERVICES INFORMATION STATEMENT

This Statement summarizes certain rights and responsibilities which you (our customer) and HSBC Bank USA, N.A. (we or the Bank) have under the Electronic Fund Transfer Act. It applies when you use our Electronic Banking Services. This Statement is part of the Rules For Consumer Deposit Accounts (the "Rules"). In the event of any inconsistency between the provisions of this Statement and the Rules, with regard to Electronic Banking Services, the provisions of this Statement will govern.

"Electronic Banking Service" (or EFT Service) means a banking service in which you or someone else uses electronic means to make deposits (credits) to or withdrawals (debits) from your checking, savings, CD or prepaid account. An EFT Service includes transactions made by electronic means; for example, transactions made at an Automated Teller Machine (ATM), by using Online Banking Services, by Automated Clearing House (ACH), or, in some cases, by telephone.

An EFT Service also includes a purchase or "purchase and cash back" transaction at a retail store using your HSBC Debit Mastercard® card ("Debit Mastercard®"), even if the debit to your checking account is not made by electronic means until later. An EFT Service also includes electronic check conversion, when a merchant (or their agent) sends through an electronic debit for the amount of a returned check plus a fee, or a qualifying computer initiated bill payment. (Note: A computer initiated bill payment is not an EFT transaction where the bill payment service expressly provides that payment will be made to all or particular payees with a written instrument drawn on your account and all payees that will be paid in this manner are identified to you.)

Transactions conducted by an EFT Service are referred to in this statement as "EFT Transactions." Credit transactions (for example, obtaining a loan or making a credit card purchase or cash advance) are NOT EFT Services.

Consumer Liability

Tell us AT ONCE if you believe your Debit Mastercard® or ATM Card (together, "Card"), PIN or TAC has been lost or stolen, or if you believe that an EFT transaction has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within 2 business days after you learn of the loss or theft of your Card, PIN or TAC, you can lose no more than \$50 if someone used your Card, PIN or TAC, without your permission.

If you do NOT tell us within 2 business days after you learn of the loss or theft of your Card, PIN, or TAC and we can prove we could have stopped someone from using your Card, PIN or TAC, without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, code or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Contact in event of unauthorized transfer: If you believe your Card, PIN or TAC, has been lost or stolen you may call or write to the address shown on the bank directory outlined below.

You can also call the number or write to the address listed in the bank directory if you believe a transfer has been made using the information from your check without your permission.

Business days: For purposes of this Statement, our business days are Monday through Friday. Federal reserve designated holidays are not included.

Transfer types and limitations

Account access. You may use your Card or TAC to:

- Withdraw cash from your checking or savings account.

- Make deposits to your checking or savings account.
- Transfer funds between your checking and savings accounts whenever you request.
- Pay for purchases at places that have agreed to accept the Card.
- Pay bills directly by telephone from your checking or savings account in the amounts and on the days you request.

Some of these services may not be available at all terminals.

Electronic check conversion: You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to:

- Pay for purchases.
- Pay bills.

Limitations on frequency of transfers

There are no EFT transaction limitations on the frequency of transfers or withdrawals you can make.

Limitations on dollar amounts of transfers:

One-time ATM withdrawal Amount:

- \$10 minimum; \$500 maximum at U.S. HSBC ATMs

ATM withdrawal Amount, per day, per card number:

- \$500 for HSBC Debit Mastercard® and HSBC Advance Debit Mastercard®
- \$1,000 for HSBC ATM card.
- \$5,000 for HSBC Jade World Debit Mastercard® and HSBC Premier World Debit Mastercard®

The daily ATM limit represents the overall maximum amount of total withdrawals done on any accounts (checking and savings) linked to your card.

One-time purchase or "purchase and cash back" transactions per day, per card number:

- \$500 for an HSBC ATM Card
- \$3,000 for an HSBC Debit Mastercard® and HSBC Advance Debit Mastercard® cards.
- \$15,000 for an HSBC Jade World Debit Mastercard® and HSBC Premier World Debit Mastercard® cards.

Per transfer charge: We will not charge you a fee for each withdrawal, balance inquiry or transfer you make using a non U.S. HSBC ATM. You may be charged a fee by the ATM operator or network used, including a fee by another HSBC entity operating ATMs outside the U.S.

Confidentiality: We will disclose information to third parties about your account or the transfers you make:

- Where it is necessary for completing transfers, or
- In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
- In order to comply with government agency or court orders, or
- If you give us your written permission.

Documentation

Terminal transfers: You can get a receipt at the time you make any transfer to or from your account using one of our ATMs or point-of-sale terminals.

Preauthorized credits: If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, the person or company making the deposit should tell you every time they send us the money. You can call us at 1-800-975-4722 to find out whether or not the deposit has been made.

Periodic statements: A periodic statement is provided for each monthly cycle in which a transaction has occurred and at least quarterly if no transactions have occurred.

Preauthorized payments

Right to stop payment and procedure for doing so: If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

- You may call us or write us at the address listed in the bank directory below in time for us to receive your request 3 business days or more before the payment is scheduled to be made. If you call, we may also

require you to put your request in writing and get it to us within 14 days after you call. We will not charge you for a stop-payment order.

Notice of varying amounts: If these regular payments may vary in amount, HSBC will tell you, 10 days before each payment, when it will be made and how much it will be.

Liability for failure to stop payment of preauthorized transfer: If you order us to stop one of these payments 3 business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses or damages.

Financial institution's liability: If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for instance:

- If, through no fault of ours, you do not have enough money in your account to make the transfer.
- If the transfer would go over the credit limit on your overdraft line.
- If the automated teller machine where you are making the transfer does not have enough cash.
- If the ATM was not working properly and you knew about the breakdown when you started the transfer.
- If circumstances beyond our control (such as fire or flood) prevent the transfer, despite reasonable precautions that we have taken.
- There may be other exceptions stated in our agreement with you or as provided by law.

ATM fees: When you use an ATM not owned by us, you may be charged a fee by the ATM operator or any network used and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer.

Currency Conversion on Foreign Transactions:

If you effect a transaction on your HSBC Bank Consumer Checking or Savings account at an EFT facility with your HSBC Debit Mastercard® or ATM Card in a currency other than U.S. dollars or effect a transaction in U.S. dollars outside the United States, Mastercard International Incorporated ("Card Association") will convert the transaction into a U.S. dollar amount. A currency conversion will occur even if the transaction is made in U.S. dollars. Card Association will act in accordance with the operating regulations or foreign currency conversion procedures then in effect. Currently the currency conversion rate used to determine the transaction amount in U.S. dollars for such transactions is either a government-mandated rate or a wholesale rate determined by Card Association for the processing cycle in which the transactions are processed. The currency conversion rate used by Card Association on the processing date may differ from the rate that would have been used on the transaction date or cardholder statement posting date.

Foreign Transaction Fee: HSBC does not charge any foreign transaction fees.

Notice About Electronic Check Conversion

When you provide a check as payment, you authorize us to use information from your check to make a one-time electronic fund transfer from your account. In certain circumstances, such as for technical or processing reasons, we may process your payment as a check transaction.

Notice For Providing Additional Information About Electronic Check Conversion

When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day you make and/or we receive your payment, and you will not receive your check back from your financial institution.

Error resolution notice

In Case of Errors or Questions About Your Electronic Transfers: You may call or write us at the address listed in the bank directory below as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business d

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.

We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

BANK DIRECTORY

If you believe your Debit Mastercard® card, ATM Card, your Personal Identification Number (PIN) or your Telephone Access Code (TAC) has been lost or stolen or if you believe a transfer has been made using the information from your check without your permission or in case of errors or questions about your EFT transactions:

| CALL | OR WRITE |
|---|--|
| If calling from the U.S. or Canada: 800-975-4722 From anywhere else in the world: 716-841-4880 | HSBC P.O. Box 2013 Buffalo, NY 14240 |

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