

Global Structured Equity Products

CHF Maxi DI Reverse with bonus coupon

Due 21 Jul. 2009

Any offers of the Notes described in this Term Sheet will be subject to the restrictions of Directive 2003/71/EC of the European Parliament and of the Council of November 4th, 2003 (the "Prospectus Directive") including any relevant implementing measures in each Member State of the European Economic Area in which the Prospectus Directive has been implemented. Potential investors into whose possession this Term Sheet comes are required by the Issuer and the Dealers to inform themselves about and to observe these restrictions. Any offers made in violation of these restrictions will be unlawful.

Final General Terms of the Notes

Brief Product Description / Risk : The MAXI DOWN&IN REVERSE CONVERTIBLE with Bonus Coupon are Notes distributing fixed periodic coupons while allowing a redemption at Par at Maturity if none of the underlying has triggered the Barrier Level. Also, a Bonus Coupon will be paid if all the underlyings are above their initial level at the end of the period (no Bonus Coupon is paid otherwise). In case the Barrier was triggered and the least performing underlying closes below its initial level on Valuation Date(s), principal is at risk, with the physical delivery of the least performing underlying or a cash equivalent redemption. Otherwise, if Barrier was triggered but the least performing underlying closes above its initial level on Valuation Date(s), Notes will be redeemed at Par. In case of a negative performance of the least performing underlying observed on Valuation Date(s), the investor could face total loss.
In case of sales of the product before Maturity, the selling price can be, depending on market conditions at the selling date, below its initial price.

Product Type (SVSP) : **YIELD ENHANCEMENT PRODUCTS - Barrier reverse convertibles (340)**

Issuer : HSBC Bank plc (Notes and Warrants Program)

Applicable Law : English Law

Domicile and Head Office : 8 Canada Square, London E14 5HQ – United Kingdom

Regulatory : The issuer is authorized and regulated by the FSA (United Kingdom)

Status : Senior, unsecured

Issuer's Ratings : Aa1 (Moody's) / AA (S&P)

ISIN / TELEKURS : **XS0408129467/ 4953630**

Denomination : CHF 1 000

Issue Size : CHF 500 000

Trade Date : 7 Jan. 2009

Set Date : 7 Jan. 2009 (Fixed level on agreement with the client)

Issue Date : 21 Jan. 2009

Valuation Date : 7 Jul. 2009

Maturity Date : 21 Jul. 2009

Issue Price : 100%

Minimum Investment : 1 Note

Trading Volume / Ratio : 1 Note

Underlying : The Following Shares

i	Share	Bloomberg Ticker	Isin Code	Siinitial	Barrier Level	Parity	Exchange
1	NESTLE SA	NESN VX	CH0012056047	CHF 42.520	CHF 29.764	23	SWX EuropeLt
2	NOVARTIS AG	NOVN VX	CH0012005267	CHF 54.400	CHF 38.080	18	SWX EuropeLt
3	ROCHE HOLDING AG	ROG VX	CH0012032048	CHF 171.600	CHF 120.120	5	SWX EuropeLt

Coupon : For each Note, a cash amount paid on Coupon Payment Date, equal to Denomination times 8.20%

Coupon Payment Datej : The following dates: 21 Jul. 2009

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Page 1 of 6

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Bonus_i	:	For each Note, a cash amount paid on Coupon Payment Date, equal to Denomination times <ul style="list-style-type: none"> • 8.20% if $110\% \leq WO_{final} < 120\%$; • 16.40% if $120\% \leq WO_{final} < 130\%$; • 24.60% if $130\% \leq WO_{final}$;
Redemption at Maturity	:	For each Note : <ul style="list-style-type: none"> • If the barrier has not been triggered, a cash amount equal to Denomination times: 100%. • If the barrier has been triggered : <ul style="list-style-type: none"> ↳ If $WO_{final} \geq 100\%$, a cash amount equal to Denomination times 100%. ↳ If $WO_{final} < 100\%$, in the Least Performing Share with delivery of a number of shares according to the Parity of Conversion of the Least Performing Share and with a cash amount equal to Remaining Amount $\times WO_{final}$. <ul style="list-style-type: none"> - Least Performing Share: the Share I which has the lowest value according to the following formula : $\left[\frac{S_{final}^i}{S_{initial}^i} \right]$ <p>If more than one Share has the same value, the Calculation Agent shall determine which Share is the Least-performing Share in its sole and absolute discretion.(*)</p> <ul style="list-style-type: none"> - Parity I : Denomination divided by Strike Price_i and rounded to the lowest integer. - Remaining Amount I : equal to [Denomination –(Parity_i x Strike Price_i)]
Barrier Level	:	70 % The barrier is considered triggered if the minimum Level of any Share i, between Set Date and Valuation Date, is at any time lower than or equal to the barrier level times $S_{initial}^i$
WO_{final}	:	$\text{Min}_{i=1 \text{ to } N} \left(\frac{S_{final}^i}{S_{initial}^i} \right)$
Strike Price_i	:	100% of $S_{initial}^i$
S_{final}^i	:	For each Share i composing the basket, its closing level on Valuation Date.
$S_{initial}^i$:	For each Share i composing the basket, its Fixed on agreement with the client
N	:	Number of Shares: 3
Settlement	:	CASH & PHYSICAL (Issuer has the right but no obligation to decide to redeem in cash only)
Buisness Days	:	Zurich, London Target
Listing	:	Unlisted / Private Placement
Clearing	:	Euroclear (N24921)
Form of the Notes	:	Bearer notes evidenced by a permanent global note. Definitives will not be printed
Selling Restrictions:	:	As described in detail in the the Issuer's EMTN Programme
Calculation Agent	:	HSBC Bank plc – 8 Canada Square, London E14 5HQ
Paying Agent	:	HSBC Bank plc
Additional fees payable to the issuer or to the dealer	:	None
Additional Information	:	http://www.hsbcnet.com/treasury/investor-solutions/swispriv.html
Governing Law	:	English
Jurisdiction	:	The Courts of England
Documentation	:	The Issuer's EMTN Programme
Notification	:	In case of a corporate event, HSBC Financial Products France will notify the buyer of the note and will send an amended Termsheet.

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Page 2 of 6

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Secondary Market

: **UNDER NORMAL MARKET CONDITIONS**, HSBC Financial Products (France) SNC will endeavour to provide on Reuters HSSP and on Bloomberg a Bid/Offer Level with a spread of : 1.00%

Reuters RIC :	ISIN = HSBP
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Bloomberg :	ISIN Corp Go
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Dirty Price

During the term of the product, Bid and Offer prices may possibly differ to a greater or lesser extent (spread).

Fiscal Terms*

: All tax relevant information contained in this document is purely indicative and based upon a diligent analysis of the laws and regulations applicable on the date this document is issued and any other information available to the Issuer considered to be reliable. The Issuer explicitly excludes all and any liability in respect of any tax implications based upon the information contained in this document. The Issuer cannot be held responsible for any tax matter arising from any investment made in this product. The investors only will be liable for all current and future taxes and duties. All investors should therefore consult their legal and tax advisors on the tax implications of buying, holding and selling this financial product taking into account their particular circumstances.

Interest Component at issue : 1.08% p.a.

This product classifies as transparent and predominantly one time interest payment ("IUP"). The positive difference between value of bond floor upon sale or redemption and value of bond floor upon issuance or acquisition is subject to Swiss income tax. The premium part of the coupon (15.32% p.a.) is qualified as a capital gain, therefore tax-free for private investment purposes

No Swiss withholding tax. No Swiss stamp tax at issuance. Secondary market transactions are not subject to Swiss stamp transfer tax. But in case of delivery of the Underlying Swiss stamp transfer tax is levied based on the Strike Price.

For Swiss paying agents, the interest part of the coupon is subject to EU Savings tax (TK6)

**This is a general overview of the potential fiscal impact of this product at the time of issue. Tax treatment will depend on each client's individual circumstances. Tax laws and interpretations may change and with a possible retroactive effect.*

Scenario Analysis

Scenario Analysis at Maturity:

Scenario 1: If the least performing underlying closes above its initial level on Valuation Date(s), each Note will be redeemed at Par in addition to the bonus coupon.

Scenario 2: If the least performing underlying closes below its initial level on Valuation Date(s) and the barrier level has not been triggered, each Note will be redeemed at Par.

Scenario 3: If the least performing underlying closes below its initial level on Valuation Date(s) and the barrier level has been triggered, principal is at risk, and redemption with the physical delivery of the least performing underlying (Yet the issuer has the right but no obligation to redeem in cash at the cash equivalent of least performing underlying level on Valuation Date(s))

Risks for the investor

- Physical delivery of the least performing underlying if it has triggered the barrier level
- Principal is at risk if the least performing underlying has triggered the barrier level
- In case of sales of the product before Maturity, the selling price can be, depending on market conditions at the selling date, below its initial price.
- Investors bear the Issuer risk. The investment instrument's value is dependent not only on the development of the underlying, but also on the creditworthiness of the Issuer, which may vary over the term of the structured product

Warning

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Page 3 of 6



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In case of a decrease of the least performing underlying this product is exposed to equity risk and could expose the investor to a total loss.

Disclaimer

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This term sheet contains indicative terms only. All terms are subject to completion and amendment and final terms are subject to further discussion, revision and negotiation. This document has been prepared for the sole information of the addressee and should not be distributed or caused to be distributed to the public. The information and opinions in this document are derived from sources believed to be reliable, but its accuracy and sufficiency cannot be guaranteed. Neither HSBC nor any of its affiliates are responsible for providing you with legal, tax or other specialist advice and you should make your own arrangements in respect of this accordingly.

This document is intended solely for professional clients and eligible counterparties and is not intended for the use of retail clients

Further detailed information is contained in, and Investors should refer to, the Base Prospectus (as so supplemented) dated 4 August 2008, which interested persons can obtain from HSBC Financial Products (France) SNC. These materials may not be distributed in any jurisdiction where it is unlawful to do so.

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Page 4 of 6

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Selling Restrictions

Switzerland: In selling these Notes to Swiss Qualified Investors (as defined in art. 10, para. 3 of the Federal Act on Collective Investment Schemes of 23rd June 2006 (the "CISA")) acting as principal, neither HSBC Financial Products (France) SNC nor HSBC Bank plc are subject to the requirements set out in art. 5 of the CISA. Although the Dealer has made his best efforts to have this information comply with art. 5 of CISA, duty to ensure compliance with art. 5 of CISA rests with the addressee of this information. This product is not a collective investment scheme as per the CISA and is not subject to approval or supervision by the Swiss Federal Banking Commission. This document does not constitute an issue prospectus pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations and may not comply with the Directive for Notes of Foreign Borrowers of the Swiss Bankers Association. The Notes will not be listed on the SWX Swiss Exchange and therefore such document may not comply with the disclosure standards of the listing rules of the SWX Swiss Exchange. The Notes may not be offered to the public in or from Switzerland, and the buyer of the Notes undertakes and agrees with the Issuer to buy the Notes for its clients based on a written fee-based discretionary asset management agreement conforming with the Portfolio Management Guidelines of the Swiss Banking Association or equivalent standards and to procure that the Notes will not be offered to the public in or from Switzerland otherwise than to a selected and limited circle of investors.

France : Cette opération ne donne pas lieu à un prospectus soumis au visa de l'AMF. En outre, les acquéreurs de ces produits financiers ne peuvent participer à cette opération que pour compte propre dans les conditions fixées par les articles D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 et D.764-1 du code monétaire et financier. Toute diffusion, directe ou indirecte, dans le public de ces instruments financiers ne peut être réalisée que dans les conditions prévues aux articles L.411-1, L.411-2, L.412-1 et L.621-8 à L.621-8-3 du code monétaire et financier.

As described in detail in the the Issuer's EMTN Programme

This Term Sheet is addressed solely to (i) persons outside the European Economic Area and/or (ii) Qualified Investors (as defined in the Prospectus Directive (all such persons in (i) and (ii) together being referred to as "relevant persons").

By being in receipt of this Term Sheet you acknowledge, represent and agree that (i) you will not distribute, forward, copy, reproduce or otherwise pass on this Term Sheet to any person who is not a relevant person, (ii) you are aware of and understand the requirements of the Prospectus Directive including any relevant implementing measures in each Member State of the European Economic Area in which the Prospectus Directive has been implemented and (iii) you will comply with the provisions of the Important Notice section below:

IMPORTANT NOTICE

European Economic Area – Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), you represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) you have not made and will not make an offer of the Notes to the public in that Relevant Member State, except that you may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Any re-offer or re-sale, by an initial purchaser or financial intermediary, of Notes in relation to which a prospectus has not been approved by the competent authority in a Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, will be unlawful unless made (i) pursuant to one of the exemptions set out in Article 3.2 of the Prospectus Directive or (ii) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

Suitability and Risks

No opinions are expressed as to the merits or suitability of a product. Investments can fluctuate in price or value and prices, values or income may fall against an investor's interests. Changes in market conditions may have an adverse effect on the value, price or income of these investments. You are solely responsible for making your own independent appraisal of and investigation into the products, investments and transactions referred to in this document and you should not rely on any information in this document as constituting investment advice. All terms are subject to completion and amendment.

By purchasing this Notes, you confirm that:

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- (a) you are acting on your own account or as duly authorised agent for the account of your client in considering the purchase of the Notes;
- (b) you have or will make an independent investment decision as to whether the Notes are suitable for you or your client in light of your investment objectives;
- (c) you acknowledge that the Issuer is considering selling you the Notes on a principal to principal basis only and is not responsible for determining the suitability of the Notes for any person to whom you may transfer or on-sell the Notes;
- (d) where you intend to buy and then sell all or some of the Notes to, or you are acting on behalf of, another person, such other person will not be a customer of the Issuer or the Dealer. All rules pertaining to the client relationship (including, but not limited to, anti money laundering, solicitation, banking or financial canvassing rules, rules of conduct and notably the information that should be provided to the client and any potential requirement relating to inducements as well as suitability assessment) are your sole responsibility;
- (e) you are not relying nor will rely on any representation of the Issuer or any affiliated party concerned with the Note issuance regarding the Reference Entity, the Reference Obligation and/or any other aspect of Notes not disclosed in this term sheet;
- (f) you understand or will ensure that you understand the risks associated with purchasing the Notes after having received independent financial advice if necessary.

In addition, a prospective purchaser of the Notes should carefully consider all the risks associated with any investment in the Notes, including but not limited to the following:

1. **Limited Liquidity:** There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity of investment or that it will continue for the life of the Notes. Neither the Issuer nor its affiliates are required to make a market in the Notes. Prospective investors that may need to liquidate any of the Notes before their maturity may have to sell the Notes at a substantial discount from the outstanding principal amount. Prospective investors should be willing to hold the Notes until their maturity.
2. **Potential Loss of Principal and Interest:** The Notes may redeem below par or may redeem at ZERO. Any early redemption amount may vary considerably due to market conditions and will likely be valued at a considerable discount to its par value.
3. **Conflicts of Interest:** Various potential and actual conflicts may arise between the interests of the Noteholders, on the one hand, and the Issuer and its affiliates on the other hand, as a result of the various commercial and investment banking businesses and activities of the Issuer and its affiliates. By purchasing an interest in the Notes, each holder will be deemed to have acknowledged the existence of such conflicts of interest and to have waived any claim with respect to any liability arising from such conflicts of interest.
4. **Concerning the Calculation Agent:** All calculations and determinations made by the Calculation Agent in relation to the Notes shall (save in the case of manifest error at the time the relevant determination is made) be final and binding on the Issuer, the Trustee and all Noteholders.
5. **Confidential Information:** Information in this termsheet is confidential. Distribution of this termsheet to any other person other than its original recipient (or to such recipient's advisors) is prohibited.
6. **Not for Distribution in the U.S.:** This termsheet and securities referred to herein are not intended for distribution in the United States or to or for the account of U.S. persons (as defined in Regulation S under the Securities Act of 1933, as amended).

This term sheet is a "financial promotion".