

Global Structured Equity Products

EUR Auto-Callable + short DI put

Due 4 Mar. 2010

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 AUTO-CALLABLE+ are Notes distributing a high periodic coupon if at the end of each predefined period the underlying is higher than a Coupon Trigger Level, no coupon is paid otherwise. Also, if the underlying is above its initial level at the end of each predefined period, the Notes will be early redeemed at Par. At Maturity, each Note would provide a redemption at Par (in case of no early redemption) if the underlying has never triggered the Barrier. In case the Barrier was triggered and the underlying closes below its initial level on Valuation Date(s), principal is at risk, with a redemption in cash at the cash equivalent of the underlying level observed on Valuation Date(s). Otherwise, if Barrier was triggered but the underlying closes above its initial level on Valuation Date(s), Notes will be redeemed at Par. In case of a negative performance of the 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 - Express certificates (360)**

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)

Co-engineered by : Quantus AG

Status : Senior, unsecured

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

ISIN / TELEKURS : **XS0414706076 / 3882349**

Denomination : EUR 1 000

Issue Size : EUR 1 000 000

Trade Date : 18 Feb. 2009

Set Date : 18 Feb. 2009

Issue Date : 4 Mar. 2009

Valuation Date : 18 Feb. 2010

Maturity Date : 4 Mar. 2010

Issue Price : 100%

Minimum Investment : 1 Note

Trading Volume / Ratio : 1 Note

Underlying : The Following Indices

i	Indice	Bloomberg Ticker	Siinitial	Barrier Level	Exchange
1	DJ EUROSTOXX 50	SX5E	2 118.470	1 165.159	Eurex

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Coupon : For each Note, on the Payment Date, **but subject to Early Redemption Event**, a cash amount equal to Denomination times **Fixed Coupon_i** :

$$\text{if } \frac{S_i}{S_{\text{initial}}} \geq \text{Coupon Level}_i$$

No coupon is paid otherwise

For avoidance of doubt, if an Early Redemption event occurs on Payment Date_i, Coupon_i is paid.

Early Redemption : For each Note,

- an early redemption occurs on the Payment Date_i , if $\frac{S_i}{S_{\text{initial}}} \geq \text{Autocall Level}_i$
- no early redemption otherwise.

Early Redemption Amount_i A cash amount equal to Denomination times Redemption_i

i	Autocall Level _i	Valuation Date _i	Payment Date _i	Coupon Level _i	Fixed Coupon _i	Redemption _i
1	N.A.	18 Mar. 2009	6 Apr. 2009	55%	1.05%	N.A.
2	N.A.	20 Apr. 2009	4 May. 2009	55%	1.05%	N.A.
3	100%	18 May. 2009	4 Jun. 2009	55%	1.05%	100%
4	N.A.	18 Jun. 2009	6 Jul. 2009	55%	1.05%	N.A.
5	N.A.	20 Jul. 2009	4 Aug. 2009	55%	1.05%	N.A.
6	100%	18 Aug. 2009	4 Sep. 2009	55%	1.05%	100%
7	N.A.	18 Sep. 2009	5 Oct. 2009	55%	1.05%	N.A.
8	N.A.	19 Oct. 2009	4 Nov. 2009	55%	1.05%	N.A.
9	100%	18 Nov. 2009	4 Dec. 2009	55%	1.05%	100%
10	N.A.	18 Dec. 2009	4 Jan. 2010	55%	1.05%	N.A.
11	N.A.	18 Jan. 2010	4 Feb. 2010	55%	1.05%	N.A.
12	100%	18 Feb. 2010	4 Mar. 2010	55%	1.05%	100%

Redemption at Maturity : For each Note, if no early redemption has occurred, a cash amount equal to Denomination times :

- If $S_{\text{final}} \geq S_{\text{initial}}$, the last Redemption_i in the table above
- If $S_{\text{final}} < S_{\text{initial}}$:
 - ↳ If the barrier has not been triggered, 100%
 - ↳ If the barrier has been triggered: $\left(\frac{S_{\text{final}}}{S_{\text{initial}}} \right)$

Barrier Level : **55%** of S_{initial}

The barrier is considered triggered if the minimum Level of the Underlying between Set Date and Valuation Date is at any time lower than or equal to the barrier level.

Strike Price : 100% of S_{initial}

S_{final} : Closing price of the Underlying on Valuation Date

S_{initial} : Closing price of the Underlying on Set Date

S_i : Closing level of the Underlying on the Valuation Date i.

Settlement : **CASH SETTLEMENT**

Business Days : London Target

Listing : Unlisted / Private Placement

Clearing : **Euroclear (N°24921)**

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 Issuer's EMTN Programme

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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.

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

Reuters RIC :	ISIN = HSBP
Bloomberg :	ISIN Corp Go

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.
 Bond Floor at issue (indicative) : 98.14%

This product is classified as a bond-like derivative financial instrument with predominantly one time interest payment ("IUP") for Swiss tax purposes.

As a result, the positive difference between the value of the bond floor at the redemption/disposal of the product and the value of the bond floor at the issue/acquisition of the product is taxable income for Swiss resident individual investors holding the product for private investment purposes.

The gain obtained from the derivative part is qualified for Capital gain.

No Swiss withholding tax. No Swiss stamp tax at issuance. Secondary market transactions are not subject to Swiss stamp transfer tax

For Swiss paying agents, the product is not subject to EU Savings tax (TK7)

**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 for the coupon :

if the underlying closes above the coupon barrier level on Periodic Coupon Valuation Date, each Note will pay a predetermined coupon, otherwise no coupon will be paid for the period

Scenario analysis for early redemption :

Scenario 1: If the underlying closes above its predetermined strike level on early redemption Date(s), each Note will be early redeemed at Par

Scenario 2: If the underlying closes below its predetermined strike level on early redemption Date(s), no early redemption occurs

Scenario Analysis at Maturity, if no Early Redemption has occurred :

Scenario 1: If the underlying closes above its predetermined strike level on Valuation Date(s), each Note will be redeemed at Par.

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

Scenario 3: If the underlying closes below its predetermined strike level on Valuation Date(s) and the barrier level has been triggered, principal is at risk and redemption in cash at the cash equivalent of the underlying level on Valuation Date(s)

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Risks for the investor

Principal is at risk if the 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

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

Disclaimer

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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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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.

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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".

The following statement is required by the licensor of the Dow Jones Euro STOXX 50 Index: STOXX Limited ("STOXX") and Dow Jones & Company, Inc. ("Dow Jones") have no relationship to the Issuer other than the licensing of the Dow Jones Euro STOXX 50 Index and the related trademarks for use in connection with the Notes.

STOXX and Dow Jones do not:

- Sponsor, endorse, sell or promote the Notes.
- Recommend that any person invest in the Notes or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of Notes.
- Have any responsibility or liability for the administration, management or marketing of the Notes.
- Consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the Dow Jones Euro STOXX 50 Index or have any obligation to do so.

STOXX and Dow Jones will not have any liability in connection with the Notes. Specifically,

- STOXX and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:

- o The results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Dow Jones Euro STOXX 50 Index, and the data included in the Dow Jones Euro STOXX 50 Index;

- o The accuracy or completeness of the Dow Jones Euro STOXX 50 Index and its data;

- o The merchantability and the fitness for a particular purpose or use of the Dow Jones Euro STOXX 50 Index and its data;

- STOXX and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones Euro STOXX 50 Index or its data;
- Under no circumstances will STOXX or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or Dow Jones knows that they might occur.
- The licensing agreement between the Issuer and STOXX is solely for their benefit and not for the benefit of the owners of the Notes or any other third parties.