

Global Structured Equity Products

CHF DI Reverse

Due 23 Dec. 2009

"The Bonds described in this Term Sheet are distributed only in Switzerland and are not intended for distribution in Europe or other jurisdictions. Potential investors into whose possession this Term Sheet comes are required by the Issuer and the Dealers to observe these restrictions and in particular the provisions contained in the Important Notice here below. Any offers made in violation of these restrictions will be unlawful."

Indicative General Terms of the Bonds (subject to issue)

- Brief Product Description / Risk** : The DOWN&IN REVERSE CONVERTIBLE are Notes distributing fixed periodic coupons while allowing a redemption at Par at Maturity if the underlying has not triggered the Barrier Level. In case the Barrier was triggered and the underlying closes below its initial level on Valuation Date(s), principal is at risk, with the physical delivery of the underlying or a cash equivalent redemption. 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 - Barrier reverse convertibles (340)**
- Dealer** : HSBC Financial Products (France) SNC
- Issuer** : HSBC Trinkaus & Burkhardt AG, Düsseldorf
- Applicable Law** : German Law
- Regulatory** : The issuer is authorized and regulated by the BaFin (Germany)
- Domicile and Head Office** : Königsallee 21/23, 40212 Düsseldorf, Germany
- Issuer's Ratings** : Fitch Ratings LT IDR: AA
(source: www.fitchratings.com)
- ISIN / Valorenummer (TELEKURS)** : **CH0100803763 / 10080376**
- Valorensymbol** : **TB424B**
- Denomination** : CHF 1 000
- Principal Amount** : CHF 600 000
- Trade Date** : 9 Jun. 2009
- Set Date** : 9 Jun. 2009
- Issue Date** : 23 Jun. 2009
- Valuation Date** : 16 Dec. 2009
- Maturity Date** : 23 Dec. 2009
- Issue Price** : 100%
- Minimum Investment** : 1 Bond
- Trading Volume / Ratio** : 1 Bond
- Underlying** : The Following Shares

i	Share	Bloomberg Ticker	Isin Code	S ⁱ initial	Barrier Level	Parity	Exchange
1	HOLCIM LTD REG	HOLN VX	CH0012214059	CHF 58.40	CHF 40.88	17	SWX EuropeLt

Coupon i : In respect of each Note, a cash amount paid on Coupon Payment Date i equal to Denomination times: **6.75%**.

Coupon Payment Date i : The following dates: 23 Dec. 2009.

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Redemption at Maturity	<p>: For each Note :</p> <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 $S_{final} \geq S_{initial}$, a cash amount equal to Denomination times 100% ↳ If $S_{final} < S_{initial}$, either a cash amount equal to the Denomination times $\frac{S_{final}}{S_{initial}}$, <p>OR</p> <p>in shares with delivery of a number of shares according to the Parity of Conversion</p> <p>and with a cash amount equal to : $Remaining\ Amount \times \left(\frac{S_{final}}{S_{initial}} \right)$.</p> <ul style="list-style-type: none"> - Parity: Denomination divided by Strike Price and rounded to the lowest integer. - Remaining Amount: equal to [Denomination – (Parity x Strike Price)] 						
Barrier Level	<p>: 70 % of $S_{initial}$</p> <p>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.</p>						
Strike Price	<p>: 100 % of $S_{initial}$</p>						
S_{final}	<p>: Closing price of the Underlying on Valuation Date</p>						
$S_{initial}$	<p>: Closing price of the Underlying on Set Date</p>						
Settlement	<p>: CASH & PHYSICAL (Issuer has the right but no obligation to decide to redeem in cash only)</p>						
Listing	<p>: Unlisted / Private Placement</p>						
Clearing /Depository	<p>: SIX SIS AG, Olten, Switzerland</p>						
Business Days	<p>: Zurich, Dusseldorf Target</p>						
Form of the Bonds	<p>: Bearer-Bonds evidenced by a permanent global Bearer-Certificate. Definitives will not be printed.</p>						
Calculation Agent	<p>: HSBC Trinkaus & Burkhardt AG, Düsseldorf</p>						
Additional fees payable to the issuer or to the dealer	<p>: None</p>						
Additional Information	<p>: www.hsbc-zertifikate.ch</p>						
Governing Law	<p>: German</p>						
Documentation	<p>: Program Documentation and Final Terms (visible at www.hsbc-zertifikate.ch)</p>						
Notification	<p>: In case of a corporate event, HSBC Trinkaus & Burkhardt will notify the SIS Swiss Exchange by an official notice and will amend the Final Terms available at www.hsbc-zertifikate.ch.</p>						
Secondary Market	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">: UNDER NORMAL MARKET CONDITIONS, HSBC Trinkaus will endeavour to provide on the SWX a Bid/Offer Level with a spread of 1.00%</td> </tr> <tr> <td style="width: 30%;">Reuters RIC :</td> <td>ISIN = TUBD</td> </tr> <tr> <td>Bloomberg :</td> <td>ISIN Corp Go</td> </tr> </table> <p>Dirty Price</p> <p>During the term of the product, Bid and Offer prices may possibly differ to a greater or lesser extent (spread).</p>	: UNDER NORMAL MARKET CONDITIONS , HSBC Trinkaus will endeavour to provide on the SWX a Bid/Offer Level with a spread of 1.00%		Reuters RIC :	ISIN = TUBD	Bloomberg :	ISIN Corp Go
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Bloomberg :	ISIN Corp Go						
Fiscal Terms	<p>: 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.</p>						

Interest Component at issue : 0.73% 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 (12.77% 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 at Maturity:

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

Scenario 2: If the 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 underlying closes below its initial level on Valuation Date(s) and the barrier level has been triggered, principal is at risk, redemption with the physical delivery of the underlying or in cash at the cash equivalent of the underlying final level on Valuation Date(s), at Issuer's Choice

Risks for the investor

- Physical delivery of the underlying or cash equivalent redemption at the issuer's choice if it has triggered the barrier level

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.

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Legal information

The information contained herein does not constitute a recommendation by HSBC Trinkaus & Burkhardt AG (the "Issuer"), HSBC Financial Products SNC (the "Dealer") to purchase or sell the Securities described and is no substitute for individual investment advice from your bank. It is not possible to subscribe for the securities before the start of the subscription period.

Commission

The contractual partner of the buyer of the product issued by the Issuer is paid commission for selling this Securities. The buyer can obtain information about this commission and its exact sum from his/her contractual partner, i.e. in connection with this transaction the Issuer may under certain circumstances pay to or receive from third parties, as part of its compensation, one-time or recurring fees (placement and retrocession fees). These fees may be paid in part out of the funds received through the issue price.

Selling restrictions

With the exception of the publication and deposit of the Program Documentation in Switzerland, the Issuer, the Dealer will take no measures to make the public offering of the Securities or their possession or the sale of offer documents in relation to the Securities described in this document admissible in any country other than Switzerland, in which special measures have to be taken for this purpose.

Any Securities purchased by any person for resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Securities in such jurisdiction.

Holders of the Securities are advised to read the selling restrictions described more fully in the Offering Memorandum. The restrictions listed below must not be taken as definitive guidance as to whether this note can be sold in a jurisdiction. Holders of the Bonds should seek specific advice before onselling a Bond.

USA - The Securities may not be sold or offered within the United States or to U.S. persons.

Europe - For EEA jurisdictions (EU member states plus Norway, Iceland and Liechtenstein) that have implemented the EU Prospectus Directive, the Final Terms and Base Prospectus for these Securities DO NOT QUALIFY as a prospectus published in accordance with the requirements of the EU Prospectus Directive. Unless and until a prospectus has been published in accordance with the requirements of the EU Directive, these Notes may not be offered or sold in EEA jurisdictions that have implemented the EU Prospectus Directive other than 1) in minimum denominations of, or total consideration per investor of at least, EUR 50,000 (or equivalent in other currencies) or 2) only to Qualified Investors; and/or (aggregated for all distributors) to less than 100 offerees that are not Qualified Investors per EEA jurisdiction. A "Qualified Investor" is a legal entity that (i) is authorised or regulated to operate in the financial markets or has the sole purpose to invest in Securities; or (ii) meets two of the following three criteria (as shown in its last annual or consolidated accounts): (a) an average number of at least 250 employees during the last financial year; (b) a total balance sheet of more than EUR 43,000,000; and (c) an annual net turnover of more than EUR 50,000,000.

For EEA jurisdictions that have not implemented the EU Prospectus Directive, sales in such jurisdictions must be in compliance with the law of that jurisdiction.

UK – For the purposes of non-discretionary accounts, the Securities should not be sold with a consideration of less than 50,000 EUR or equivalent.

Prospectus

Structured products – no specific protection for investors: The securities do not constitute participation in a collective investment in the meaning of Article 2 of the Swiss Collective Investment Schemes Act (CISA) and have not therefore been authorised or approved as Swiss collective investments by the Swiss Federal Banking Commission or approved as foreign collective investments in the meaning of Article 119 of the CISA for public sale in Switzerland or from Switzerland in accordance with Article 120 of the CISA. The securities are structured products in the meaning of Article 5 of the CISA and, as such, do not have to be approved by the Swiss Federal Banking Commission. Investors are not therefore entitled to the specific protection afforded by the CISA in the case of collective investments. This publication does not constitute an issuing prospectus in the meaning of Articles 652a and/or 1156 of the Swiss Code of Obligations (CO). The securities are issued under the current Issuer's Program Documentation (the "Program Documentation"). The Program Documentation and the relevant Final Terms constitute the sole issuing prospectus relevant for admission to the SIX Swiss Exchange.

The Program Documentation, the Final Terms and the Issuer's annual reports and interim reports will be available free of charge from HSBC Trinkaus & Burkhardt AG, Marketing Retail Products, Königsallee 21/23, 40212 Düsseldorf, Germany and from the paying and exercise agent, Neue Privat Bank AG, Limmatquai 122, 8022 Zürich, Switzerland. They can be viewed at and/or downloaded in electronic form from: www.hsbc-zertifikate.ch.

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Furthermore, 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 Certificates of Foreign Borrowers of the Swiss Bankers Association; the Certificates 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; Accordingly the Certificates may not be offered to the public in or from Switzerland, and the buyer of the Certificates undertakes and agrees with the Issuer to buy the Certificates 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 Certificates will not be offered to the public in or from Switzerland otherwise than to a selected and limited circle of investors.

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.

Selling Restrictions

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:

The Certificates may only be offered, sold or supplied within a country or with starting point in a country, if this is allowed in accordance with the applicable laws and other legal provisions of the country concerned and if from this no obligations result for the Issuer and/or the Dealer.

No prospectus will be published for the Certificates, i.e. the Certificates will only be offered under an exemption from the obligation to publish a prospectus as set forth in the applicable laws and regulations. Any subsequent resale or distribution of the Certificates may only be made in the form of a private placement or under an exemption from the obligation to publish a prospectus as set forth in the applicable laws and regulations. The Issuer has not and will not take any action to make admissible the public offering or the ownership of the Certificates or the distribution of any offering documents for the Certificates within any country in which it would be necessary to take specific action for these purposes.

The Certificates have not been and will not be publicly offered in any of the Contracting States of the European Economic Area ("EEA") and, accordingly, no securities prospectus for a public offering of the Certificates in the EEA in accordance with the regulations of the Prospectus Directive, the laws and regulations issued in the Contracting States concerned for the implementation of the Prospectus Directive and starting from the time, at which the "DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC" ("Prospectus Directive") is implemented into national law by the concerned Contracting States, has been or will be published or circulated in the EEA. Any public resale of the Certificates in the EEA may only be made in accordance with the provisions of the Prospectus Directive and any other laws applicable in the Contracting States governing the sale and offering of securities.

The Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "Securities Act") or with any securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of any US person (as defined in Regulation S under the Securities Act ("Regulation S")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws.

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 Certificates 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 Certificates 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 Certificates 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;

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- (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 Certificates to the public" in relation to any Certificates 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 Certificates to be offered so as to enable an investor to decide to purchase or subscribe the Certificates, 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 Certificates 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.

Applicable to Switzerland:

This document does not represent a brochure in terms of Art. 652a bzw. Art 1156 of the Swiss "Obligationsrecht". An accreditation and/or listing of the securities will not take place.

The securities do not represent a participation in a foreign investment fund in terms of Art. 44 of the "Bundesgesetz" about investment funds and are not allotted by the "Eidgenössischen Bankenkommission" for the public distribution in Switzerland as such. Therefore, the securities are not subjects to the oversight from the "Eidgenössischen Bankenkommissionen" and the investor is not entitled to the protection of investors as described in the "Anlagefondgesetz".

Applicable to Germany:

No prospectus will be published for the securities described in this term sheet, i.e. the securities will only be offered under an exemption from the obligation to publish a prospectus as set forth in the Securities Prospectus Act (Wertpapierprospektgesetz). We assume that the securities that you purchased in accordance with this offer, for which no prospectus has been and will not be published, were purchased for your own account. Please note that any subsequent resale or distribution of the securities may only be made in from of a private placement or under an exemption from the obligation to publish a prospectus as set forth in the Securities Prospectus Act.

The securities may be only offered, sold or supplied within a country or with starting point in a country, if this is allowed in accordance with the applicable laws and other legal provisions of the country concerned and if from this no obligations result for the issuer.