

**3 YEARS**  
**HSBC ITU REVERSE CONVERTIBLE 2009 2012**  
**NON CAPITAL GUARANTEED NOTE**  
**ISIN XS0413818096**

Indicative Terms and Conditions

**Information Concerning Investment Risk**

Noteholders and prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. The price performance of the Share (as defined below) may affect the nature and value of the investment return on the Notes. Also, a relatively small movement in the value of the Share could result in a disproportionately large movement in the value of the Notes. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Share based upon such investigations and not in reliance on any information given in these Final Terms.

Given the highly specialised nature of these Notes, the Issuer considers that they are only suitable for highly sophisticated investors who are able to determine themselves the risk of an investment linked to Share. Consequently, if you are not an investor who falls within the description above you should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser. Investors should make their own investment, hedging and trading decisions (including decisions regarding the suitability of this investment), based upon their own judgment and upon advice from such advisers as such investors deem necessary and not upon any view expressed by the Issuer.

**HSBC Bank plc – NOTES & WARRANTS PROGRAM**  
**European Down&In Reverse Convertible NOTES**

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.

**Terms of the Notes**

<b>Issuer</b>	: <b>HSBC Bank plc</b>
<b>Status</b>	: <b>Senior, unsecured</b>
<b>Ratings</b>	: <b>The long term senior debt ratings of HSBC Bank plc are: AA (S&amp;P) /Aa1 (Moody's)</b>
<b>ISIN</b>	: XS0413818096
<b>Denominations</b>	: USD 50,000 (if min USD 50,000, use the corresponding exemption)
<b>Applicable Exemption from the Prospectus Directive</b>	The offering of the Notes is addressed to fewer than 100 natural or legal persons per Member State, other than Qualified Investors.
<b>Principal Amount</b>	: <b>USD 1,700,000</b> USD 1,000,000 ( Trade Date: 10 February 2009) USD 400,000 (Trade Date: 12 February 2009) USD 300,000 (Trade Date: 13 February 2009)
<b>Trade Date</b>	: 10 February 2009
<b>Set Date</b>	: 13 February 2009

**Terms of the Notes**

<b>Issue Date</b>	:	27 February 2009
<b>Valuation Date</b>	:	13 February 2012
<b>Maturity Date</b>	:	27 February 2012
<b>Issue Price</b>	:	100.00 %
<b>Underlying</b>	:	Banco Itau Holding Fin- ADR <b>Bloomberg Code</b> (Ticker: ITU UN )
<b>Coupon i</b>	:	In respect of each Note, a cash amount paid on Coupon Payment Date i equal to Denomination times: 12.50%.
<b>Coupon Payment Date i</b>	:	The following dates: 26 February 2010, 28 February 2011 and 27 February 2012
<b>Redemption at Maturity</b>	:	For each Note :
<b>PHYSICAL &amp; CASH SETTLEMENT, at Issuer's Choice</b>	:	<ul style="list-style-type: none"> <li>• If the barrier has not been triggered : a cash amount equal to Denomination times 100%</li> <li>• If the barrier has been triggered: <ul style="list-style-type: none"> <li>↳ If <math>S_{final} \geq S_{initial}</math>, a cash amount equal to Denomination times 100%</li> <li>↳ If <math>S_{final} &lt; S_{initial}</math>, either a cash amount equal to Denomination times <math>\frac{S_{final}}{S_{initial}}</math> ,</li> </ul> </li> </ul> <p><b>OR</b></p> <p>in shares with delivery of a number of shares according to the Parity of Conversion and with a cash amount equal to :</p> $\text{Remaining Amount} \times \left( \frac{S_{final}}{S_{initial}} \right).$ <ul style="list-style-type: none"> <li>- Parity: Denomination divided by Strike Price and rounded to the lowest integer.</li> <li>- Remaining Amount: equal to [Denomination – (Parity x Strike Price) ]</li> </ul>
<b>Barrier Level</b>	:	80 % of $S_{initial}$ The barrier is considered triggered if the Closing Level of the Underlying at Valuation Date is lower than the barrier level.
<b>Strike Price</b>	:	100 % of $S_{initial}$
$S_{final}$	:	Closing price of the Underlying on Valuation Date
$S_{initial}$	:	Closing price of the Underlying on Set Date <b>(USD 11.12)</b>
<b>Settlement</b>	:	<b>CASH or CASH &amp; PHYSICAL , at Issuer's Choice</b>
<b>Listing</b>	:	Unlisted / Private Placement
<b>Business Days</b>	:	New York
<b>Form of the Notes</b>	:	Bearer notes evidenced by a permanent global note. Definitives will not be printed
<b>Selling Restrictions:</b>	:	As described in detail in the the Issuer's EMTN Programme
<b>Calculation Agent</b>	:	HSBC Bank plc
<b>Governing Law</b>	:	English
<b>Documentation</b>	:	The Issuer's Notes & Warrants Program