

## HSBC SGD 1 Month Dual Currency Plus Notes - linked to GBP/SGD (“the Notes”)



**Denominated in SGD, Non-principal Protected.** The value of the Notes is fully exposed to market fluctuations and may fall. Therefore Investors may not receive 100% of their capital invested.

The HSBC SGD 1 Month Dual Currency Plus Notes linked to GBP/SGD (“the Notes”) is a short-term investment instrument which enables Noteholders to participate in the exchange rate movement of GBP/SGD for a potentially higher return than time deposits. The Notes are designed to provide the Noteholder with a minimum coupon payment while also offering the possibility of a higher coupon rate. These Notes do NOT provide any principal protection and you may suffer a loss of principal if certain events explained in this document materialize.

The Notes make a single coupon payment at maturity. The actual coupon payment will depend on the prevailing spot rate of the underlying (i.e. the GBP/SGD) on Determination Date, compared to the Strike, where SGD is the base currency and GBP is the linked currency.

# HSBC SGD 1 Month Dual Currency Plus Notes - linked to GBP/SGD

The Hongkong and Shanghai Banking Corporation Limited's authorised sales staff must go through this document with you once you have decided to place your funds in this Note. This document is prepared to assist you in understanding this Note. We recommend that you keep this document for future reference. Unless otherwise defined, terms used in this document shall have the same meaning as in the relevant Indicative Term Sheet.

<p><b>Features</b></p>	<ul style="list-style-type: none"> <li>▶ The Notes are denominated in Singapore Dollar (SGD) and have a 1 month tenor.</li> <li>▶ The Notes pay a single coupon payment at the end of the investment period.</li> <li>▶ The Notes' potential return is linked to the underlying (i.e. GBP/SGD), where the SGD is the base currency and British Pounds (GBP) is the linked currency.</li> <li>▶ The Noteholder's actual return is determined by comparing the prevailing GBP/SGD spot rate on the Determination Date with the spot rate as fixed on the Trade Date, known as the Strike*:             <ul style="list-style-type: none"> <li>- if on the Determination Date the prevailing GBP/SGD spot rate fixes <b>at or above</b> the Strike (i.e. GBP has remained stable or appreciated against the SGD), the Noteholder will receive the higher coupon rate of 4.50%<sup>^</sup> p.a. upon maturity. The Noteholder will receive the proceeds (principal and coupon payment) in the base currency (i.e. Singapore Dollars).</li> <li>- if on the Determination Date the prevailing GBP/SGD spot rate fixes <b>below</b> the Strike (i.e. GBP has depreciated against the SGD), the Noteholder will receive the lower coupon rate of 1.00% p.a. upon maturity. The Noteholder will receive the proceeds (principal and coupon payment) in the linked currency (i.e. British Pounds) at the Strike<sup>#</sup>.</li> </ul> </li> </ul> <p style="margin-left: 20px;">* <i>The Strike is the GBP/SGD spot rate as determined on Trade Date, 7<sup>th</sup> May 2010.</i></p> <p style="margin-left: 20px;"><sup>^</sup> <i>The higher coupon is expected to range from [2.50%] to [6.50%] and will be determined on Trade Date, 7<sup>th</sup> May 2010. As of 20 April 2010, the estimated coupon is 4.50% p.a.</i></p> <p style="margin-left: 20px;"><sup>#</sup> <i>The Noteholder may incur an investment loss if the exchanged proceeds are converted back into SGD at a spot rate that is below the Strike.</i></p> <ul style="list-style-type: none"> <li>▶ HSBC Bank plc's rating: Moody's Aa2; Standard &amp; Poor's: AA</li> </ul>
<p><b>Main Risks</b></p>	<ul style="list-style-type: none"> <li>▶ The Notes are <b>NOT PRINCIPAL PROTECTED</b>. The value of the Notes redeemed at maturity is fully exposed to market fluctuations. Therefore, the value of the Notes may fall and Noteholders may not receive 100% of their invested capital.</li> <li>▶ Noteholders could receive their maturity proceeds in the linked currency and may suffer a loss when converting back to their base currency.</li> <li>▶ Noteholders should be prepared to place their funds in the Notes for the full 1-month period.</li> </ul> <p>Please refer to the Risk Disclosure section in this document for more details.</p>
<p><b>Issuer &amp; Distributor Information</b></p>	<p>HSBC Bank plc is the issuer which is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group.</p> <p style="text-align: center;">HSBC Bank plc      Authorised and regulated by Financial Services Authority      Registered in England No. 14259      Registered Office: 8 Canada Square, London, E14 5HQ, United Kingdom      Tel: +44 207 991 3739, Member HSBC Group</p> <p>The Hongkong and Shanghai Banking Corporation Limited is the distributor which is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group.</p> <p><b>Distributor:</b>      The Hongkong and Shanghai Banking Corporation Limited is the distributor which is a wholly owned subsidiary of HSBC Holdings plc, the holding company of the HSBC Group.</p>

	<p style="text-align: center;">Office/Registered Address:</p> <p style="text-align: center;">The Hongkong and Shanghai Banking Corporation Limited (Brunei branch)  HSBC Chambers, Corner of Jalan Sultan / Jalan Pemancha, Bandar Seri Begawan BS8811, Brunei  Member of HSBC Group</p> <p>Headquartered in London, the HSBC Group is one of the largest banking and financial services organisations in the world. The Group's international network comprises about 10,000 offices in 86 countries and territories in Europe, the Asia-Pacific region, the Americas, the Middle East and Africa.</p>
<b>Governing Law</b>	English law governs our Notes

## Scenario Analysis

The following examples are purely hypothetical. The hypothetical rates of return shown in the following scenario examples are meant for illustrative purposes only. The levels/movement/trends shown have no reference to historical data and are not actual or indicative of future performance. HSBC makes no representation or warranty (express or implied) of any nature in relation to nor is any responsibility of any accepted with respect to the completeness or accuracy of any information, projection, or omission from the below scenario analysis. (Please refer to the Indicative Term Sheet for the definition of the terms.)

The following examples show what a Noteholder's potential return on the Notes could be under three different scenarios based on a principal investment of SGD 100,000.

Initial Parameters	
Initial Investment:	SGD 100,000
Tenor	1 month
Coupon Rate	4.50 % p.a. , if the prevailing spot rate fixes at or above the Strike on Determination Date 1.00% p.a. , otherwise
Strike	The GBP/SGD spot rate as determined on Trade Date
Base Currency	SGD
Linked Currency	GBP

### Scenario 1: The GBP is appreciating against the SGD. On Determination Date the prevailing GBP/SGD spot rate fixes above the Strike. The Noteholder receives the higher coupon rate.

Assuming the prevailing GBP/SGD spot rate fixes above the Strike on Determination Date:

Strike	GBP/SGD fixing on Determination Date	GBP/SGD fixing on Determination Date > = Strike?	Currency Conversion	Coupon Recorded (p.a.)	Coupon Rate*	Proceeds received at maturity		Investment Gain (Loss)
						Principal	Coupon Payment^	
2.10	2.20	Yes	No	4.50%	0.375%	SGD 100,000	SGD 375	SGD 375.00

\* Coupon Rate calculation:  $4.50\% \text{ p.a. (Coupon Recorded)} / (\text{Act}/365) = 0.375\%$

^ Coupon Payment calculation:  $0.375\% \times \text{SGD } 100,000 = \text{SGD } 375$

Upon maturity, the Noteholder will receive 100% of the principal invested (SGD 100,000) plus a coupon payment of **SGD 375** in the base currency. The total of the proceeds is **SGD 100,375**. The 1-month investment return is 0.375% or 4.50% p.a.

### Scenario 2: The GBP has neither appreciated nor depreciated against the SGD. On Determination Date the prevailing GBP/SGD spot rate fixes at the Strike. The Noteholder receives the higher coupon rate.

Assuming the prevailing GBP/SGD spot rate fixes at the Strike on Determination Date:

Strike	GBP/SGD fixing on Determination Date	GBP/SGD fixing on Determination Date > = Strike?	Currency Conversion	Coupon Recorded (p.a.)	Coupon Rate*	Proceeds received at maturity		Investment Gain (Loss)
						Principal	Coupon Payment^	
2.10	2.10	Yes	No	4.50%	0.375%	SGD 100,000	SGD 375	SGD 375.00

At maturity, the Noteholder receives 100% of the principal invested (SGD 100,000) plus a coupon payment of **SGD 375** in Singapore Dollars. The total of the proceeds is **SGD 100,375**. The 1-month investment return is 0.375% or 4.50% p.a.

**Scenario 3: The GBP is depreciating against the SGD. On Determination Date the prevailing GBP/SGD spot rate fixes below the Strike. The Noteholder receives the lower coupon rate.**

Assuming prevailing GBP/SGD spot rate fixes below the Strike on Determination Date:

Strike	GBP/SGD fixing on Determination Date	GBP/SGD fixing on Determination Date >= Strike?	Currency Conversion	Coupon Recorded (p.a.)	Coupon Rate*	Proceeds received at maturity		Investment Gain (Loss) <sup>#</sup>
						Principal*	Coupon Payment <sup>^</sup>	
2.10	2.08	No	Yes	1.00%	0.083%	GBP 47,619.05	GBP 39.52	SGD (870)

\* Principal calculation = SGD 100,000 / 2.10 = GBP 47,619.05

<sup>^</sup> Coupon Payment calculation = (SGD 100,000 x 0.083%) / 2.10 = GBP 39.52

<sup>#</sup> Assuming the proceeds received at maturity are converted back into SGD at the same exchange rate as the fixing on Determination Date (i.e. 2.08)

At maturity, the Noteholder’s principal (SGD 100,000) and coupon payment (SGD 83) are exchanged into the linked currency (i.e. British Pounds) at the Strike. The total proceeds the Noteholder receives is GBP 47,658.57.

Upon maturity, assuming the proceeds in GBP are immediately converted back into the SGD, and that the GBP/SGD spot rate at the point of conversion remains at the fixing level (i.e. 2.08), the proceeds will be equivalent to **SGD 99,130**.

In this scenario, while the Noteholder has received a coupon payment at the rate of 1.00% p.a., he has made a total investment loss of **SGD 870**. The total loss over the 1-month investment period is 0.87% or 10.44% p.a.

**Scenario Analysis Disclaimer**

The above scenarios are provided for illustrative purposes only, and do not reflect a complete analysis of all possible gain and loss scenarios that may arise in respect of any actual investment. No representation or warranty is made by HSBC that any scenario described above represents or will represent the real investment conditions and returns. Actual results and returns on the Notes may vary from the results shown above, and such variations may be material.

## Risk Disclosure

You should seek independent advice from an independent professional adviser if required before making a commitment to invest in these Notes. In the event that you choose not to seek advice from an independent financial adviser, you should carefully consider whether these Notes are suitable for you in the light of your risk appetite, financial position, investment experience and investment objectives. Please refer to the Indicative Term Sheet for definitions of the terms used below. The main risks associated with investing in the Notes include:

### Principal Risk

If the denomination is converted to the linked currency at maturity and the Noteholder choose to immediately exchange the converted amount back to the denominated currency at an exchange rate that is less favourable than the Strike, the Noteholder may suffer a loss of principal.

(Please refer to Scenario 3 on page 5 for the illustration where a loss of principal has occurred)

### Return Risk

An investment in the Notes linked to the performance of underlying currency pair is exposed to the risk of Foreign Exchange market(s) and can be extremely volatile. The potential return is linked to the performance of the underlying currency pair. In the worst case, the Noteholder might NOT receive 100% of their principal at maturity. Noteholders are placing their funds in the Notes for the full investment period.

### Credit Risk

Each Noteholder assumes the credit risk of the Issuer. The rating of the Issuer reflects the independent opinion of the relevant rating agencies and is not a guarantee of the Issuer's credit quality. The product is subject to both the actual and perceived measures of the credit worthiness of HSBC Bank Plc. and there is no assurance of protection against a default by HSBC Bank Plc. in respect of its payment obligations.

### Market Risk

The investments of the Notes are subject to normal market fluctuations, credit risk of issuers of underlying investments, and other risks inherent in investing in securities and options and there can be no assurance that any appreciation in value will occur. The underlying currency pair is subject to normal market fluctuations including other risks inherent in investing in securities, and there can be no assurance that the performance of the currency pair will be such as to entitle Noteholders to any amounts in excess of the 100% of principal on the Maturity Date. Any potential return in excess of the 100% of principal is subject to investment risk and is not certain.

### Significant risks that are not generally associated with similar investments in conventional fixed rate or floating rate debt securities.

An investment in the Notes entails significant risks that are not generally associated with similar investments in conventional fixed rate or floating rate debt securities. Calculation of the return on the Note is linked to the change in the level of the currency pair, which may decline as well as rise. Although the Noteholder has the opportunity to receive a high return, the Noteholder risks a lower return than comparable instruments. As such, the investment may not be suitable for persons unfamiliar with the currency pair and its individual components, or unwilling or unable to bear the risk attendant with this trade.

### Hedging activities may create conflicts of interest between Noteholders and the Issuer

Hedging activities may create conflicts of interest between Noteholders and the issuer. The Issuer or one or more of its affiliates may hedge their obligations under the Notes by purchasing futures or options on the underlying currency pair or by entering into other derivative instruments with returns linked or related to changes in the performance of the underlying currency pair, and the Issuer may adjust these hedges by, among other things, purchasing or selling futures or options or modifying other derivative instruments linked to the underlying currency pair at any time. Although they are not expected to, any of these hedging activities may adversely affect the level of the underlying currency pair price and, therefore, the market value of the Notes. It is possible that the Issuer or one or more of affiliates of the Issuer could receive substantial returns from these hedging activities while the market value of the Notes decline.

### Conflicts of Interest

Various potential and actual conflicts may arise between the interests of the Noteholders and the Issuer, as a result of the commercial and investment banking businesses and activities of the Issuer and its affiliates. The Issuer may recommend or effect a transaction in which it or any affiliate, or one of its other clients, may have an interest, relationship or arrangement that is material. In particular, the Issuer or any affiliate may deal as principal for its own account, to hedge liabilities under the Note or for other purposes, and may match a transaction or order with that of another client. Neither the Issuer nor any affiliate is under any duty to account for any profits, commission, remuneration, rebates or other benefits made or received as a result of such transaction or service. Further, the Issuer is

HSBC Plc and the Calculation Agent is HSBC Bank Plc with regard to the Notes. The Calculation Agent is solely responsible for making certain determinations in the calculation of the underlying currency pair price and the Redemption Amount and other determinations and calculations in connection with the Notes, including the discontinuance or modification of the underlying currency pair. Because the Calculation Agent is obligated to redeem the Notes, the Calculation Agent may have economic interests adverse to those of the holders of the Notes, including with respect to certain determinations and judgements that the Calculation Agent must make as referred to above, any of which may affect payments in respect of the Notes. In its capacity as Calculation Agent, HSBC Bank Plc does not act as fiduciary for or an advisor to any of the Noteholders in respect of any such determination or judgment or otherwise.

#### **Limited Liquidity of the Notes and Transfer Restrictions**

There is limited liquidity for the Notes and the transfers of the Notes will be restricted. In addition, the Notes will be subject to certain transfer restrictions.

#### **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.

#### **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).

#### **Terms are Indicative**

All terms are indicative and thus do not represent an offer to sell, purchase or subscribe to any investment nor a solicitation of such an offer. Prospective Noteholders should rely solely on the final documentation relating to the purchase of the Notes that will contain the final terms and conditions.

#### **Early Redemption by Noteholders**

Early redemption of the Notes by Noteholders is **NOT** allowed.

#### **Early Redemption by Issuer**

If the product has to be terminated early for taxation reasons or the winding up of the Issuer, it is possible that the Noteholder will not receive any returns and will not receive 100% of the principal amount back. This event, however, the Issuer believes to be unlikely.

#### **Foreign Exchange Risk**

A non-SGD account holder will be subject to fluctuations in exchange rates, which could affect the non-SGD account holder's return either negatively or positively upon conversion into local currency received.

If at maturity the linked currency has depreciated against the base currency, the Noteholder will receive the investment proceeds (principal and coupon payment) in the linked currency. Depending on prevailing foreign exchange rates, if the Noteholder converts the investment proceeds back into the base currency the Noteholder could make a loss on the currency conversion despite having received the minimum coupon.

#### **Inflation Risk**

Noteholders need to consider the effect that inflation may have on the real value of the investment during the tenor of the Notes.

#### **Derivative Risk**

The underlying of the Note is subject to financial derivatives risk which is dependent on the value of an underlying physical market asset for its own value, such as options, futures, forwards and swaps.

## Investor Commitment

- ▶ The Notes have a product risk level of two (2) and are likely to be suitable for investors whose attitude to risk is **Balanced** and who agree to the related terms and investment risks.
- ▶ Investors should understand that the Notes are not suitable for everyone, especially inexperienced investors. Investors should understand that the return, if any, is only payable at maturity.
- ▶ Investors should understand that the Notes are **NOT PRINCIPAL PROTECTED** and are fully exposed to market fluctuations. Therefore the value of the Notes may fall and investors may not receive 100% of their capital invested.
- ▶ The Notes are likely to be suitable for investors who are happy to hold the investment for the entire period. Investors should regard these Notes as a 1-month investment and should make sure there are sufficient liquid emergency funds to meet any unforeseen circumstances.
- ▶ Investors should avoid excessive investment in a single type of investment, in respect of its total proportion of an overall portfolio, in order to guard against overexposure to any investment risks.
- ▶ Investors should self-assess and confirm the appropriateness and suitability of investing in these Notes and receiving the related payments.
- ▶ Investors should understand that investment in the Notes is not the same as an investment in the underlying currency pair and does not confer any legal or beneficial interest in the underlying currency pair.
- ▶ The minimum investment amount is SGD 10,000.



# Indicative Term Sheet for HSBC SGD 1 Month Dual Currency Plus Notes - linked to GBP/SGD

## HSBC Bank plc – NOTES & WARRANTS PROGRAM HSBC SGD 1 Month Dual Currency Plus Notes - linked to GBP/SGD

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 4<sup>th</sup>, 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.

**Warning:** The contents of this document have not been reviewed by any regulatory authority in Hong Kong or elsewhere. You are advised to exercise caution in relation to use of this document for any particular purpose. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

This document has been prepared by The Hongkong and Shanghai Banking Corporation Limited

The subscription or the purchase of the Notes, and the terms of the Notes, will be governed by the terms and conditions as set out in the [Base Prospectus for HSBC Bank plc's Programme for the Issuance of Notes and Warrants, dated [30 July 2009] and the related Programme documentation, all as amended or supplemented from time to time, as further supplemented by the relevant Final Terms to be prepared in respect of the Notes] (together, the "Terms and Conditions"). In the event of any inconsistency between the Terms and Conditions and this termsheet, the Terms and Conditions shall supersede.

### *Indicative Terms of the Notes*

- Issuer** : HSBC Bank plc
- Status** : **Senior, unsecured**
- Ratings** : The long term senior debt ratings of the Issuer are:  
Aa2/AA  
The Notes will carry an explicit rating from Moody's (Aa2) if the Principal Amount is greater or equal to USD 25,000,000 (or equivalent if denominated in another currency). The Issuer's Programme for the Issuance of Notes & Warrants is rated AA by Standard & Poors but the Notes will not carry an explicit rating.
- Registered Offices of the Issuer** : 8, Canada Square  
Canary Wharf  
London  
E14 5HQ  
United Kingdom
- Lead Manager** : HSBC Bank plc
- Form of Security** : Notes – as defined in the Base Prospectus
- Documentation** : The subscription or the purchase of the Notes, and the terms of the Notes, will be governed by the terms and conditions as set out in the Base Prospectus for HSBC Bank plc's Programme for the Issuance of Notes and Warrants dated 30<sup>th</sup> July 2009 and the related Programme documentation, all as amended or supplemented from time to time, as further supplemented by the relevant Final Terms to be prepared in respect of the Notes (together, the "Terms and Conditions"). **In the event of any inconsistency between the Terms and Conditions and this termsheet, the Terms and Conditions shall supersede.**
- Product** : Flexible coupon with potential conversion at Maturity.
- Product Description** : The Notes offers Noteholders the opportunity to earn potentially higher returns while guaranteeing a minimum coupon rate. The Notes make a single coupon payment at maturity which is linked to the prevailing GBP/SGD spot rate on Determination Date. The Noteholder's principal and coupon payment received may be converted into the linked currency (i.e. British Pounds) if the prevailing GBP/SGD spot rate fixes below a predetermined rate on Determination Date.  
The Notes is **NOT PRINCIPAL PROTECTED**.
- Security Identifiers** : ISIN [ ]
- Trade Date** : 07 May 2010
- Issue Date** : 14 May 2010
- Determination Date** : 14 June 2010

### *Indicative Terms of the Notes*

<b>Maturity Date</b>	:	14 June 2010, subject to adjustment in accordance with the Modified Following Business Day Convention.
<b>Interest Commencement Date</b>	:	Settlement Date
<b>Interest Termination Date</b>	:	Maturity Date
<b>Issue Price</b>	:	100%
<b>Coupon</b>	:	<b>4.50%* p.a.</b> , if GBP <sub>mat</sub> fixes at or above the Strike <b>1.00% p.a.</b> , otherwise (act/365, unadjusted, paid in SGD)
		<i>* The higher coupon rate is expected to range from [2.50%] to [6.50%] and will be determined on Trade Date, 7<sup>th</sup> May 2010. As of 20 April 2010, the estimated coupon is 4.50%.</i>
<b>Strike</b>	:	[xxx] (GBP/SGD Spot on Trade Date)
<b>Business Day Convention</b>	:	Modified Following
<b>Business Days</b>	:	Singapore & Hong Kong (for Fixing) Singapore, London & Brunei (for Settlement)
<b>Redemption</b>	:	For each Denomination, the Redemption on Maturity Date will be as follows: <ul style="list-style-type: none"><li>• If GBP<sub>mat</sub> fixes at or above the Strike, proceeds are received in the base currency (i.e. SGD) which is equal to: <b>Denomination * [ 100% + Coupon ]</b></li><li>• Otherwise, the proceeds are received in the linked currency (i.e. GBP) which is equal to: <b>Denomination * [ 100% + Coupon ] / Strike</b></li></ul>
<b>GBP<sub>mat</sub></b>	:	The GBP/SGD Fixing rate expressed as a number of SGD per one GBP calculated as the multiplication of the FX rate of USD/SGD (expressed as a number of SGD per one USD) as observed on Reuters page ABSIRFIX01 at 11:00 am Singapore time on the Determination Date, by the FX rate of GBP/USD (expressed as a number of USD per one GBP) as observed on Reuters page HSBCFIX01 at 11:00 am Hong Kong time on the Determination Date, or if such rates are not available for whatever reason, the GBP/SGD Fixing rate shall be determined by the Calculation Agent in good faith in a commercially reasonable manner. Such a rate shall be rounded to the closest four (4) decimal place, 0.00005 being rounded up.
<b>Secondary market</b>	:	The Issuer and the Dealer may, but shall not be required to, make a market for the Notes. Any bid or offer price for the Notes shall be determined by the Issuer or the Dealer (as the case may be) in its sole discretion. There is no assurance as to the development or liquidity of any trading market for the Notes. See "Risk Factors" in the Issuer's Programme for the Issuance of Notes & Warrants for further details.
<b>Listing</b>	:	Unlisted
<b>Denominations</b>	:	SGD 1,000
<b>Form of the Notes</b>	:	Registered
<b>Global Note Format</b>	:	Classic Global Note "CGN"  Note: If the Notes are in NGN form, this does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met
<b>Calculation Agent</b>	:	HSBC Bank plc
<b>Settlement</b>	:	Euroclear Account 93205                      Against Payment
<b>Governing Law</b>	:	English
<b>Applicable Exemption from the Prospectus Directive</b>	:	☒ The offer is exclusively available to investors outside the EEA
<b>Tax Treatment</b>	:	Refer to the Base Prospectus for guidance on tax treatment of the Notes

### *Indicative Terms of the Notes*

**Selling Restrictions** : As described in detail in the Terms and Conditions

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:

#### **Brunei**

- Each Dealer has acknowledged that the offering Circular has not been and will not be registered as a prospectus with the Registrar of Companies of Brunei under the Companies Act (Chapter 39). Accordingly, each dealer has represented and agreed that it has not circulated or distributed and will not circulate or distribute the Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, nor has it offered, sold or made, nor will it offer, sell or make, any Notes the subject of any invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Brunei Darussalam otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Brunei Companies Act and the Mutual Funds Order.
- The Notes are being made available only to existing customers of the Hongkong and Shanghai Banking Corporation Limited.
- As per TEFRA D Rule Regulation S of United States: Notes may not be sold or offered within the United States of America or to or for the benefit of U.S. Persons (as defined in Regulation S).

## WARNING

The Notes are not suitable for everyone, especially inexperienced investors. You should make sure you understand how the Notes work and consider whether or how much of your investment portfolio should comprise the Notes in light of your own individual financial position and investment objectives before deciding whether or not to invest. You should avoid excessive investment in a single type of financial product, with respect to its proportion to your investment portfolio, in order to safe guard against overexposure to any investment risks. If you are in any doubt, get independent professional advice.

*All expenses incurred by the Issuer, including legal fees, listing fees, will be for the account of the Issuer.*

*The Notes are being sold by The Hongkong and Shanghai Banking Corporation Limited. By agreeing to a new issue of notes you acknowledge that you will be reaffirming your representations and warranties, set out in the Terms and Conditions, as at the Settlement Date.*

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The Hongkong and Shanghai Banking Corporation Limited (May 2009)

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## Investment Acknowledgement

The indicative term sheet set forth above are a summary only and are subject to the Programme for the Issuance of Notes and Warrants dated 31<sup>st</sup> July 2008 as supplemented from time to time and the Final Terms to be issued under the Programme for the Issuance of Notes and Warrants and relating to the SGD 1 Month Dual Currency Plus Notes - linked to GBP/SGD.

Copies of the Programme for the Issuance of Notes and Warrants and, on or after the issue date which is expected to be 14 May 2010, the Final Terms containing the finalised Terms and Conditions of the Note, are available to you upon request.

In issuing the Notes, the Issuer is not making, and has not made, any representation whatsoever as to the underlying asset(s). In purchasing any Notes, Noteholders confirm that they are not relying on either the views or advice of the Issuer or any other HSBC Group company.

Noteholders will also confirm that they understand (i) that the Issuer is HSBC Bank plc and the Calculation Agent is HSBC Bank plc, and (ii) that neither the Issuer nor the Calculation Agent owes any obligations to Noteholders to take any action other than those prescribed by the Terms and Conditions of the Notes.

### Important Notes

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# Appendix – Historical Performance of GBP/SGD

The historical performance of the GBP/SGD has been included to give a description of the past performance and is not an indication of future performance. This is for information purposes only. The chart has been sourced from Bloomberg and is not indicative of the likely or future performances of the GBP/SGD.

## GBP/SGD



Source: Bloomberg, from April 2005 to April 2010

## APPLICATION FORM

Date: \_\_\_\_\_

Applicant Name: \_\_\_\_\_

ID No.: \_\_\_\_\_

Investment A/C No.: \_\_\_\_\_

Subscription Amount SGD \_\_\_\_\_

A/C No to be debited \_\_\_\_\_

Coupons to be credited to A/C No. \_\_\_\_\_

### Offering Period:

**From 3<sup>rd</sup> May 2010 to 7<sup>th</sup> May 2010**

**Subscription Cut-off Time: 2pm (Brunei Time)**

**Selling Restriction: This product is only available for sales to existing HSBC customers only.**

<p>I/we confirm that I/we have read, understood and accepted the above terms and risks of the HSBC SGD 1 Month Dual Currency Plus Notes - linked to GBP/SGD.</p> <p>_____</p> <p>Signature Name: Date:</p>	<p>I/we confirm that I/we have read, understood and accepted the above terms and risks of the HSBC SGD 1 Month Dual Currency Plus Notes – linked to GBP/SGD.</p> <p>_____</p> <p>Signature Name: Date:</p>	<p>I/we confirm that I/we have read, understood and accepted the above terms and risks of the HSBC SGD 1 Month Dual Currency Plus Notes – linked to GBP/SGD.</p> <p>_____</p> <p>Signature Name: Date:</p>
<p><i>For bank use only:</i> Signature verified by:</p>	<p>[            /           /            ]                      dd / mm / yy</p>	

*The application form is issued by The Hongkong and Shanghai Banking Corporation Limited, which is incorporated in the Hong Kong SAR with limited liability.*

