

**FAQs with respect to Notice issued by
HSBC Bank USA, National Association on 18 March 2009**

The following information has been compiled by your distributor bank for your reference based on information provided to it by the trustee of the Notes, HSBC Bank USA, N.A. (the "Note Trustee")

Lehman Brothers US Dollar Liquidity Fund

Q1 Please tell me more about the Lehman Brothers US Dollar Liquidity Fund and how it is relevant to my minibonds?

The investment in the Lehman Brothers US Dollar Liquidity Fund (the "Fund") is part of the collateral which supports the minibonds. The collateral is held by The Bank of New York Mellon, London branch for BNY Corporate Trustee Services Ltd which is the trustee of the collateral.

Q2 How much of the Fund has been redeemed and when will the proceeds be distributed to investors?

The Bank of New York Mellon has made a request to redeem all its investment in the Fund but the Fund manager is only releasing the redemption proceeds in tranches. So far, 40% of the redemption request has been accepted and redemption proceeds received from the Fund. Further redemption proceeds are expected to be received as the Fund continues to liquidate.

The redemption proceeds, some of which has been reinvested in 4-week United States treasury bills, are currently being held by and in the name of BNY Corporate Trustee Services Limited. It is expected that, until the legal issues arising under the US bankruptcy law are resolved, BNY Corporate Trustee Services Limited will not release this collateral.

Q3. Why did The Bank of New York Mellon request to redeem the fund?

The manager of the Fund had announced its likely intention to close the Fund before the middle of this year. As such the Note Trustee, after consulting its legal and financial advisers, decided that it would be in the best interests of the noteholders to redeem the Fund and instructions were therefore given to BNY Corporate Trustee Services Ltd to do so.