



Interim Report as at
31 March 2009



HSBC  Trinkaus

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Financial Highlights of the HSBC Trinkaus & Burkhardt Group

	01.01. - 31.03.2009	01.01. - 31.03.2008	Change in %
Income statement in €m			
Operating revenues	156.7	152.7	2.6
Net loan impairment and other credit risk provisions	0.4	1.2	- 66.7
Administrative expenses	102.3	99.3	3.0
Operating profit	54.0	52.2	3.4
Profit before taxes	43.8	51.1	- 14.3
Tax expenses	15.0	16.5	- 9.1
Net profit for the year	28.8	34.6	- 16.8
Ratios			
Cost:income ratio of usual business activity in %	69.8	65.5	
Return on equity before tax in % (projected for the full year)	17.8	22.2	
Net fee income in % of operating revenues	58.5	58.9	
No. of employees at the reporting date	2,237	2,154	3.9
Share information			
Average number of shares in circulation in million	26.1	26.1	0.0
Earnings per share in €	1.04	1.33	- 21.4
Share price at the reporting date in €	83.0	107.0	- 22.4
Market capitalisation at the reporting date in €m	2,166	2,793	- 22.4

	31.03.2009	31.12.2008	Change in %
Balance sheet figures in €m			
Total assets	23,583.1	22,205.7	6.2
Shareholders' equity	968.5	955.0	1.4
Regulatory ratios*			
Tier 1 in €m	747	754	- 0.9
Regulatory capital in €m	1,103	1,151	- 4.2
RWAs in €m	8,513	8,588	- 0.9
Tier 1 ratio in %	8.8	8.8	
Capital ratio in %	13.0	13.4	

* following confirmation of the balance sheet



Ladies and Gentlemen,

Following on from the major difficulties experienced in 2008, the economic environment remained highly challenging in the first quarter of the new financial year. The global economic packages introduced led to a slight improvement in sentiment at the end of the latest quarter, as was also evident from the capital markets. Nevertheless, all forecasts are pointing to the global economic situation clouding over further.

Despite these difficult conditions, operating profit at HSBC Trinkaus increased in the first quarter by 3.4% from € 52.2 million to € 54.0 million, therefore remaining on a high level. This trend is attributable essentially to our stable and still successful business model which, with its clear orientation towards our target groups of wealthy private clients, corporate clients and institutional clients supported by risk-sensitive trading, has proven itself especially in these uncertain times. Our affiliation to the HSBC Group provides our client-oriented strategic direction with lasting support.

However, price losses with respect to individual financial assets meant that further moderate valuation adjustments were required. As a result, profit before taxes declined by 14.3% in the first quarter to € 43.8 million compared to € 51.1 million the previous year. Overall, we believe that we are able to represent a highly satisfactory result taking the difficult environment into consideration.

Profitability

The earnings components of the operating result can be summarised as follows:

- There was a significant increase in net interest income of 27.9% to € 36.2 million (2008: € 28.3 million), the result of financial assets and Treasury. The decline in the deposit business as a result of the lower level of interest rates could not be compensated by the expansion of the credit margin.

- Net loan impairment and other credit risk provisions amounted to € 0.4 million. Reversals outweighed additions to individually assessed impairments in the first quarter. However, in order to take adequate account of the poorer economic forecasts, we added a further € 1.0 million to collectively assessed impairments. Our conservative stance is therefore unchanged in relation to the assessment of default risks.
- In the fee-based business, net fee income reached € 91.7 million, which was slightly higher than the prior-year level (€ 90.0 million). The restraint shown by our clients in respect of the transaction-related securities business in particular on the equities side was compensated by an increase in new bond issues as well as in fixed income sales.
- There was a significant reduction in net trading income of 29.9% to € 23.5 million (2008: € 33.5 million), due essentially to equity and equity/index derivatives trading. The decline in demand for bonus and discount certificates in particular led to a notable reduction in volumes here with corresponding effects on earnings. In trading with interest products, the money market business gave a favourable performance thanks to the Bank's outstanding liquidity position. On the other hand, substantial spread widening led to considerable valuation losses in respect of bonds as a result of which earnings in the interest trading segments declined slightly overall. This was set against a significant increase in earnings in the foreign exchange business.
- Net other operating income and expenses made a positive contribution to earnings in the first quarter of € 6.2 million after € 0.9 million the previous year. This extraordinarily high figure is based largely on the placement of a real estate fund in Luxembourg.
- Administrative expenses were up slightly by 3.0% to € 102.3 million (previous year: € 99.3 million). This increase is attributable essentially to higher Group expenses in the HSBC network and to a slight increase in the number of employees. At 69.8%, the cost:income ratio remains within the adequate range for our business model of 65% to 70%.

The asset situation

Total assets were up by 6.2% compared to the end of 2008 to € 23.6 billion. Accounting for over 50% of total assets, customer deposits represent the Bank's main source of refinancing. We regard this as a clear commitment on the part of our clients to our solid business policy which is reflected not least in our sustained earnings power. The growth in interbank assets and liabilities was of a short-term nature and balance sheet date related.

At € 968.5 million, shareholders' equity was 1.4% up on the level at the end of 2008 (€ 955.0 million). On the one hand, the increase is the result of net profit for the quarter. On the other, it also includes the effects of the valuation of financial assets (€ – 13.2 million) and actuarial gains and losses arising from pension obligations and corresponding investments (€ – 1.8 million).

The financial position

The Bank's financial position is still characterised by excellent liquidity. The minimum regulatory requirements were exceeded by far with an average of 1.66 for the end-of-month positions. Customer accounts – still our main source of refinancing – reached a record level of € 12.3 billion, 5.8% higher than at the end of the year. We invest a large part of this liquidity in eligible bonds and promissory note loans issued by German federal states. The capital ratio is still good at 13.0% after 13.4% at the end of the year, with core capital excluding hybrid capital components accounting for 8.8 percentage points.

Forecast

Despite the still problematic market environment, HSBC Trinkaus recorded a pleasing operating result at the beginning of the new financial year. Thanks to our conservative stance within the framework of a proven business model and our integration into HSBC's financially sound and profitable global network, we believe we are well prepared for the challenges facing us this year. These will arise in particular in the lending business in 2009

and for this reason we are paying far greater attention to the Bank's credit book. We are assuming in our forecast that we will be untroubled by major losses in the lending business. Under these conditions, we are expecting a solid, albeit slightly lower operating profit for 2009 overall. Thanks to the measures introduced to stabilise the capital markets, the pressure resulting from financial assets should ease slightly. The trust our clients place in us is an important factor of success. We are therefore aiming to expand our market shares in the clearly defined target groups this year as well.

Düsseldorf, April 2009
The Management Board



Andreas Schmitz

Paul Hagen

Dr. Olaf Huth

Carola Gräfin v. Schmettow

This interim report fulfils the requirement of an interim management statement pursuant to Section 37x German Securities Trading Act (WpHG) and the interim reporting requirements as set out in IAS 34.

Consolidated Income Statement

in €m	(Note)	01.01. - 31.03.2009	01.01. - 31.03.2008	Change in %
Interest income		70.2	96.6	- 27.3
Interest expense		34.0	68.3	- 50.2
Net interest income	(1)	36.2	28.3	27.9
Net loan impairment and other credit risk provisions	(2)	0.4	1.2	- 66.7
Share of profit in associates		0.2	0.0	100.0
Fee income		144.9	155.8	- 7.0
Fee expenses		53.2	65.8	- 19.1
Net fee income	(3)	91.7	90.0	1.9
Net trading income	(4)	23.5	33.5	- 29.9
Administrative expenses	(5)	102.3	99.3	3.0
Income from financial assets		- 13.8	- 1.0	> 100.0
Other income	(6)	8.7	0.8	> 100.0
Profit before taxes		43.8	51.1	- 14.3
Tax expenses		15.0	16.5	- 9.1
Net profit for the year		28.8	34.6	- 16.8
Profit/loss attributable to minority shareholders		1.6	0.0	100.0
Profit/loss attributable to HSBC Trinkaus shareholders		27.2	34.6	- 21.4

Earnings per share

in €		01.01. - 31.03.2009	01.01. - 31.03.2008	Change in %
Earnings per share		1.04	1.33	- 21.4
Undiluted earnings per share		1.04	1.33	- 21.4

As in the corresponding prior-year period, there were no option and conversion rights outstanding for the purchase of shares in the first quarter of 2009. There was therefore no calculable dilution effect.

Consolidated Balance Sheet

Assets in €m	(Note)	31.03.2009	31.12.2008	Change in %
Cash reserve		174.5	139.5	25.1
Loans and advances to banks	(8)	3,423.6	2,979.7	14.9
Loans and advances to customers	(9)	4,189.4	4,082.6	2.6
Net loan impairment provision	(10)	- 21.8	- 21.4	1.9
Trading assets	(11)	12,729.7	12,482.6	2.0
Financial assets	(12)	2,635.4	2,118.8	24.4
Interests in associates		9.9	10.1	- 2.0
Property, plant and equipment		77.8	81.1	- 4.1
Intangible assets		53.7	56.0	- 4.1
Taxation recoverable		15.2	17.5	- 13.1
current		13.1	13.0	0.8
deferred		2.1	4.5	- 53.3
Other assets		297.7	259.2	14.9
Total assets		23,585.1	22,205.7	6.2

Liabilities in €m	(Note)	31.03.2009	31.12.2008	Change in %
Liabilities to banks	(13)	3,564.6	2,709.1	31.6
Customer accounts	(14)	12,260.7	11,592.8	5.8
Certificated liabilities		10.0	10.0	0.0
Trading liabilities	(15)	6,033.8	6,152.9	- 1.9
Provisions		97.1	117.4	- 17.3
Taxation		83.3	85.1	- 2.1
current		81.8	81.5	0.4
deferred		1.5	3.6	- 58.3
Other liabilities		116.2	108.2	7.4
Subordinated capital		450.7	458.7	- 1.7
Shareholders' equity		968.5	955.0	1.4
Share capital		70.0	70.0	0.0
Capital reserve		215.1	218.5	- 1.6
Retained earnings		550.2	566.8	- 2.9
Consolidated profit available for distribution in 2008		-	99.7	
Profit 01.01. - 31.03.2009 including profit brought forward		133.2	-	
Minority interests		0.2	16.5	- 98.8
Total equity and liabilities		23,585.1	22,205.7	6.2

Breakdown of consolidated shareholders' equity and subordinated capital

in €m	31.03.2009	31.12.2008
Share capital	70.0	70.0
Capital reserve	215.1	218.5
Retained earnings	550.2	566.8
of which: valuation reserve for financial instruments	34.3	47.5
of which: valuation reserve for actuarial gains and losses	- 26.1	-24.3
Net profit including profit brought forward	133.2	99.7
Consolidated shareholders' equity	968.5	955.0
Subordinated liabilities	314.9	322.9
Participatory capital	135.8	135.8
Consolidated subordinated capital	450.7	458.7
Total	1,419.2	1,413.7

Consolidated statement of changes in equity

in €m	2009	2008
Consolidated shareholders' equity as at 01.01.	955.0	968.7
Distribution	0.0	0.0
Net profit	27.2	34.6
Gains/losses not recognised in the income statement (change in valuation reserves)	- 15.0	- 41.5
Share-based compensation settled in the form of equity instruments	4.3	1.0
Transfer of shares to employees in connection with share-based remuneration schemes	- 3.1	- 2.4
Currency translation differences	0.1	0.0
Consolidated shareholders' equity as at 31.03.	968.5	960.4

Comprehensive income for the period

in €m	01.01. - 31.03.2009	01.01. - 31.03.2008
Net profit for the year	28.8	34.6
Gains/losses not recognised in the income statement	– 15.0	–41.5
of which from financial instruments	– 13.2	–35.2
of which from actuarial results	– 1.8	–6.3
Total	13.8	–6.9
Attributable to:		
Minority interests	1.6	0.0
HSBC Trinkaus shareholders	12.2	– 6.9

Consolidated cash flow statement

in €m	2009	2008
Cash and cash equivalents as at 01.01.	139.5	332.3
Cash flow from operating activities	44.1	–52.8
Cash flow from investing activities	– 1.1	–0.6
Cash flow from financing activities	– 8.0	0.0
Cash and cash equivalents as at 31.03.	174.5	278.9

The cash flow statement calculated according to the indirect method shows the position and movements in cash and cash equivalents of the HSBC Trinkaus & Burkhardt Group. Reported cash and cash equivalents correspond to the “Cash reserve balance sheet” item, which comprises cash in hand plus balances at central banks.

Notes to the Consolidated Income Statement and the Consolidated Balance Sheet

This Interim Report for the HSBC Trinkaus Group as at 31 March 2009 was drawn up in accordance with International Financial Reporting Standards (IFRS) as they are to be applied in the European Union. The interim reporting requirements as set out in IAS 34 are fulfilled in particular. Furthermore, the report takes into consideration the requirement of an interim management statement pursuant to Section 37x German Securities Trading Act (WpHG). No review of the Interim Report was carried out by external auditors.

When drawing up this Interim Report including the comparable figures for the prior-year periods, we applied the same accounting and valuation methods as in the 2008 consolidated financial statements.

Trinkaus Europa Immobilien-Fonds Nr. 12 Luxemburg/Airport GmbH & Co. KG is no longer included within the scope of consolidation.

All changes to standards, the early application of which we have dispensed with, are of no or only minor significance for our consolidated financial statements.

1 ▶ Net interest income

in €m	01.01. - 31.03.2009	01.01. - 31.03.2008
Interest income	70.2	96.6
From loans and advances to banks	17.2	36.8
Money market transactions	14.9	32.8
Other interest-bearing receivables	2.3	4.0
From loans and advances to customers	31.9	46.0
Money market transactions	7.6	13.3
Other interest-bearing receivables	24.3	32.7
From financial assets	21.1	13.8
Interest income	20.9	13.7
Dividend income	0.0	0.0
Income from subsidiaries	0.2	0.1
Interest expense	34.0	68.3
From deposits by banks	7.8	12.5
Money market transactions	6.4	9.9
Other interest-bearing deposits	1.4	2.6
From customer accounts	21.1	49.8
Money market transactions	10.2	23.7
Other interest-bearing deposits	10.9	26.1
From securitised liabilities	0.1	0.1
From subordinated capital	5.0	5.9
Net interest income	36.2	28.3

2 ▶ Net loan impairment and other credit risk provisions

in €m	01.01. - 31.03.2009	01.01. - 31.03.2008
Additions	3.1	1.5
Reversals	2.7	0.3
Direct write-offs	0.0	0.0
Recoveries on loans and advances previously written off	0.0	0.0
Total	0.4	1.2

3 ▶ Net fee income

in €m	01.01. - 31.03.2009	01.01. - 31.03.2008
Securities transactions	59.7	62.8
Foreign exchange transactions and derivatives	15.8	15.6
Issuing and structuring business	4.5	1.4
Foreign business	3.2	3.3
Payments	1.5	1.4
Lending	1.4	1.1
Investment banking	1.0	0.2
Real estate	0.8	0.0
Other fee-based business	3.8	4.2
Total	91.7	90.0

4 ▶ Net trading income

in €m	01.01. - 31.03.2009	01.01. - 31.03.2008
Equities and equity/index derivatives	17.6	28.5
Bonds and interest rate derivatives	3.2	1.9
Foreign exchange	1.6	3.2
Derivatives in the bank book	1.1	0.0
Total	23.5	33.5

Interest and dividend income attributable to trading activities – shown as the difference between the interest and dividend revenues of trading positions and the corresponding refinancing interest – is included in net trading income.

5 ▶ Administrative expenses

in €m	01.01. - 31.03.2009	01.01. - 31.03.2008
Staff expenses	62.0	60.9
Wages and salaries	53.9	53.5
Social security costs	5.8	5.4
Post-employment benefits	2.3	2.0
Other administrative expenses	34.6	33.4
Depreciation of property, plant and equipment and of intangible assets	5.7	5.0
Total	102.3	99.3

6 ▶ Net other income/expenses

in €m	01.01. - 31.03.2009	01.01. - 31.03.2008
Other operating income	7.5	1.4
Other operating expenses	1.3	0.5
Net other operating income and expenses	6.2	0.9
Net other non-operating income	2.5	0.0
Net other non-operating expenses	0.0	0.1
Net other non-operating income and expenses	2.5	-0.1
Other income	8.7	0.8

7 ▶ Segment reporting

in €m	Private Banking	Corporate Banking	Institut. Clients	Global Markets	Central Divisions/Consolidation	Total
Net interest income						
31.03.2009	3.5	11.1	0.4	4.1	17.1	36.2
31.03.2008	3.5	10.9	1.0	2.4	10.5	28.3
Net loan impairment and other credit risk provisions *						
31.03.2009	0.4	1.9	0.5	0.1	- 2.5	0.4
31.03.2008	0.3	1.9	0.2	0.0	- 1.2	1.2
Share of profit in associates						
31.03.2009	0.0	0.0	0.0	0.0	0.2	0.2
31.03.2008	0.0	0.0	0.0	0.0	0.0	0.0
Net fee income						
31.03.2009	19.8	26.4	38.6	- 0.1	7.0	91.7
31.03.2008	23.2	22.8	38.5	0.1	5.4	90.0
Operative trading profit						
31.03.2009	0.0	- 0.1	2.3	33.6	- 13.4	22.4
31.03.2008	0.0	0.0	0.8	26.1	6.6	33.5
Administrative expenses						
31.03.2009	17.2	20.5	23.6	15.0	26.0	102.3
31.03.2008	16.5	18.7	23.2	13.4	27.5	99.3
of which depreciation and amortisation						
31.03.2009	0.5	0.3	0.2	0.2	4.5	5.7
31.03.2008	0.4	0.3	0.2	0.2	3.9	5.0
Net other operating income and expenses						
31.03.2009	0.0	0.0	0.0	0.0	6.2	6.2
31.03.2008	0.0	0.0	0.0	0.0	0.9	0.9
Operating profit						
31.03.2009	5.7	15.0	17.2	22.5	- 6.4	54.0
31.03.2008	9.9	13.1	16.9	15.2	- 2.9	52.2
Income from financial assets						
31.03.2009	0.0	0.0	0.0	0.0	- 13.8	- 13.8
31.03.2008	0.0	0.0	0.0	0.0	- 1.0	- 1.0
Income from derivatives in the bank book						
31.03.2009	0.0	0.0	0.0	0.0	1.1	1.1
31.03.2008	0.0	0.0	0.0	0.0	0.0	0.0
Net other non-operating income and expenses						
31.03.2009	0.0	0.0	0.0	0.0	2.5	2.5
31.03.2008	0.0	0.0	0.0	0.0	- 0.1	- 0.1
Profit before taxes						
31.03.2009	5.7	15.0	17.2	22.5	- 16.6	43.8
31.03.2008	9.9	13.1	16.9	15.2	- 4.0	51.1
Taxation						
31.03.2009	1.7	4.8	5.5	7.2	- 4.2	15.0
31.03.2008	3.1	4.2	5.4	4.9	- 1.1	16.5
Net profit for the year						
31.03.2009	4.0	10.2	11.7	15.3	- 12.4	28.8
31.03.2008	6.8	8.9	11.5	10.3	- 2.9	34.6

* including € -2.8 million consolidation (previous year: € -1.6 million)

Despite the worst global financial market crisis of the post-war era, three of the four segments were able to improve on their good prior-year results. There were particularly strong increases in Corporate Banking and Global Markets, while the Private Banking segment was unable to escape the unfavourable general setting and repeat its good prior-year result. The financial market crisis continued to put pressure on the Bank's financial assets held in the Central Divisions.

In a year-on-year comparison, the Corporate Banking segment reported an increase in net fee income from foreign exchange business as well as from the origination and placement of corporate bonds. The increase in net interest income in the lending business as a result of higher volumes and margins was almost eaten up by the slump in net interest income from sight deposits on account of lower margins as a result of the market interest rate cuts by the ECB, despite a strong increase in volumes. In the adverse market environment, the Private Banking segment reported a major decline in revenues in the securities business on account of the restraint shown by many investors which could only be compensated in part by higher revenues in the real estate business. There was slight growth in revenues in the Institutional Clients segment compared to the previous year thanks to the extremely successful fixed income business, more than compensating for the declines in revenues in the equities and asset management business. Global Markets benefited in particular from the highly pleasing increase in the Treasury result which was more than able to compensate for the reduction in revenues in trading with equity derivatives on account of the market environment.

As a result of strict cost discipline, the increase in administrative expenses throughout the Bank was kept within a narrow limit. The more than proportionate growth in costs in the Corporate Banking and Global Markets segments can be explained by higher accruals for performance-related remuneration in keeping with their increases in earnings.

8 ▶ Loans and advances to banks

in €m	31.03.2009	31.12.2008
Current accounts	468.7	865.6
Money market transactions	2,765.4	2,049.6
of which overnight money	338.0	0.0
of which term deposits	2,427.4	2,049.6
Other loans and advances	189.5	64.5
Total	3,423.6	2,979.7
of which domestic banks	2,438.9	1,768.0
of which foreign banks	984.7	1,211.7

9 ▶ Loans and advances to customers

in €m	31.03.2009	31.12.2008
Current accounts	1,642.8	1,481.2
Money market transactions	1,144.9	1,023.3
of which overnight money	314.5	190.8
of which term deposits	830.4	832.5
Loan accounts	1,387.3	1,573.5
Other loans and advances	14.4	4.6
Total	4,189.4	4,082.6
of which domestic customers	3,050.9	2,902.4
of which foreign customers	1,138.5	1,180.2

10 ▶ Net loan impairment and other credit risk provisions

in €m	31.03.2009	31.12.2008
Net loan impairment provision	21.8	21.4
Other credit risk provisions	6.8	6.8
Net loan impairment and other credit risk provisions	28.6	28.2

in €m	Impairments				Total	
	individually assessed		collectively assessed		2009	2008
	2009	2008	2009	2008	2009	2008
As at 1 January	20.2	19.1	8.0	4.6	28.2	23.7
Reversals	2.7	0.3	0.0	0.0	2.7	0.3
Utilisation	0.0	0.1	0.0	0.0	0.0	0.1
Additions	2.1	0.5	1.0	1.0	3.1	1.5
Currency translation/transfers	0.0	0.0	0.0	0.0	0.0	0.0
As at 31 March	19.6	19.2	9.0	5.6	28.6	24.8

11 ▶ Trading assets

in €m	31.03.2009	31.12.2008
Bonds and other fixed-income securities	5,768.3	6,945.4
Equities and other non-fixed-income securities	371.7	383.7
Tradable receivables	1,803.1	2,001.6
Positive market value of derivatives	3,002.3	2,758.2
Reverse repos	1,435.7	72.3
Securities lending	8.1	2.1
Security in the derivatives business	340.5	319.3
Total	12,729.7	12,482.6

12 ▶ Financial assets

in €m	31.03.2009	31.12.2008
Bonds and other fixed-income securities and interest rate derivatives	2,284.7	1,720.1
Equities	16.5	21.4
Investments	103.3	142.6
Promissory note loans	125.5	127.6
Interests in subsidiaries	105.4	107.1
Total	2,635.4	2,118.8

13 ▶ Deposits by banks

in €m	31.03.2009	31.12.2008
Current accounts	817.5	625.3
Money market transactions	2,577.9	1,869.5
of which overnight money	573.4	26.4
of which term deposits	2,004.5	1,843.1
Other liabilities	169.2	214.3
Total	3,564.6	2,709.1
of which domestic banks	604.0	858.0
of which foreign banks	2,960.6	1,851.1

14 ▶ Customer accounts

in €m	31.03.2009	31.12.2008
Current accounts	6,960.2	6,064.5
Money market transactions	4,850.3	5,066.4
of which overnight money	827.6	685.8
of which term deposits	4,022.7	4,380.6
Savings deposits	24.8	12.9
Other liabilities	425.4	449.0
Total	12,260.7	11,592.8
of which domestic customers	8,861.3	8,707.4
of which foreign customers	3,399.4	2,885.4

15 ▶ Trading liabilities

in €m	31.03.2009	31.12.2008
Negative market value of derivatives	3,590.5	3,190.8
Promissory note loans, bonds, certificates and warrants	2,345.8	2,852.4
Delivery obligations arising from securities sold short	38.9	39.5
Repos	0.0	0.0
Securities lending	15.0	20.9
Security in the derivatives business	43.3	47.2
Derivatives in the bank book	0.3	2.1
Total	6,033.8	6,152.9

Other Notes

16 Derivatives business

in €m	Nominal amounts with a residual maturity of				Market value
	Up to 1 year	1–5 years	More than 5 years	Total	
Interest rate transactions					
31.03.2009	11,214	17,842	13,164	42,220	1,077
31.12.2008	11,985	20,208	13,955	46,148	884
Foreign exchange transactions					
31.03.2009	36,660	2,306	14	38,980	1,102
31.12.2008	30,180	3,051	54	33,285	1,231
Equity and index transactions					
31.03.2009	7,610	2,472	111	10,193	99
31.12.2008	5,970	2,300	244	8,514	108
Total					
31.03.2009	55,484	22,620	13,289	91,393	2,278
31.12.2008	48,135	25,559	14,253	87,947	2,223

Deals with both positive and negative market values are taken into account in the determination of the nominal amounts. The stated positive market values of deals represent the replacement values that may arise in the event of the default of all OTC counterparties, regardless of their individual credit rating. The values consist of current interest, foreign currency and equity/index-related deals which include a settlement risk as well as corresponding market price risks. No account is taken of netting agreements. As there is no counterparty risk on exchange-traded products and short positions, the market values of these products are not shown. Owing to the intensive cooperation in the Global Markets segment, we focus in the derivatives business on transactions with other HSBC units.

17 ▶ Market risk

in €m	31.03.2009	31.12.2008
Interest rate transactions	3.0	2.9
Equity and index transactions	1.5	3.8
Foreign exchange transactions	0.1	0.0
Overall market risk potential	3.5	4.4

The market risk potential is calculated for all market risk categories using a standardised internal model. To measure market risks in our trading book under normal market conditions we have been using a value-at-risk approach for many years. We understand value-at-risk to be the potential loss which will, with 99% probability, not be exceeded within one trading day, assuming unaltered trading positions, in the event of an unfavourable market trend. Taking correlations into consideration, the overall market risk potential is lower than the sum of the risks per risk category.

18 ▶ Contingent liabilities and other obligations

in €m	31.03.2009	31.12.2008
Contingent liabilities on guarantees and indemnity agreements	1,605.6	1,747.5
Irrevocable loan commitments	3,122.9	3,489.2
Total	4,728.5	5,236.7

Key Dates

9 June 2009 Annual General Meeting

13 August 2009 Press Conference
Interim Report as at 30 June 2009

12 November 2009 Interim Report as at 30 September 2009

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