SUPPLEMENTARY LISTING PARTICULARS DATED 25 FEBRUARY 2021

HSBC Bank plc

(a company incorporated in England with registered number 14259; the liability of its members is limited)

as Issuer

HSBC Bank Middle East Limited

(a company limited by shares incorporated in the Dubai International Financial Centre)
as Issuer

PROGRAMME FOR THE ISSUANCE OF NOTES AND WARRANTS

This supplement (the "**Supplement**") to the offering memorandum dated 3 June 2020 and the supplementary listing particulars thereto dated 6 August 2020 and 23 October 2020 relating to the Programme for the Issuance of Notes and Warrants (together, the "**Offering Memorandum**"), which constitutes listing particulars for the purposes of listing ("**Listing**") on the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and trading on the Global Exchange Market of Euronext Dublin and, for the avoidance of doubt, which does not constitute (i) a prospectus for the purposes of Part VI of the Financial Services and Markets Act 2000 (as amended) or (ii) a base prospectus for the purposes of Regulation (EU) 2017/1129, constitutes supplementary listing particulars (pursuant to rule 3.10 of the Global Exchange Market Listing and Admission to Trading Rules) for the purposes of Listing.

Terms defined in the Offering Memorandum have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Offering Memorandum and any other supplements to the Offering Memorandum prepared by HSBC Bank plc ("**HBEU**") and HSBC Bank Middle East Limited ("**HBME**" and, together with HBEU, the "**Issuers**" and each an "**Issuer**"), in relation to their Programme for the Issuance of Notes and Warrants.

This Supplement has been approved by Euronext Dublin for the purposes of Listing.

HBEU accepts responsibility for the information contained in this Supplement relating to HBEU and Notes and Warrants issued by it. To the best of the knowledge of HBEU (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

HBME accepts responsibility for the information contained in this Supplement relating to HBME and Notes and Warrants issued by it. To the best of the knowledge of HBME (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Supplement is to:

- disclose that on 23 February 2021 HBEU published its annual report and accounts for the year ended 31 December 2020 (the "**HBEU Annual Report and Accounts**"), which contains the audited consolidated financial statements of the Issuer and the independent auditors' report thereon, in respect of the financial year ended 31 December 2020. The HBEU Annual Report and Accounts are available at https://www.hsbc.com/investors/results-and-announcements/all-reporting/subsidiaries. The HBEU Annual Report and Accounts, other than information incorporated by reference therein, is hereby incorporated by reference into the Offering Memorandum;

- disclose that on 23 February 2021 HBME published its annual report and accounts for the year ended 31 December 2020 (the "**HBME Annual Report and Accounts**"), which contains the audited consolidated financial statements of the Issuer and the independent auditors' report thereon, in respect of the financial year ended 31 December 2020. The HBME Annual Report and Accounts are available at https://www.hsbc.com/investors/results-and-announcements/all-reporting/subsidiaries. The HBME Annual Report and Accounts, other than information incorporated by reference therein, is hereby incorporated by reference into the Offering Memorandum;

- replace paragraph 2 of the "*General Information*" section of the HBEU Registration Document (which is incorporated by reference into the Offering Memorandum) with the following statement:

  "There has been no significant change in the financial position or financial performance of the Issuer or the Group nor any material adverse change in the prospects of the Issuer since 31 December 2020.";

- replace paragraph 9 of the '*General Information*' section of the Offering Memorandum with the following statement:

  "There has been no significant change in the financial or trading position of HBEU and its subsidiaries since 31 December 2020 nor any material adverse change in the prospects of HBEU since 31 December 2020";

- replace paragraph 10 of the '*General Information*' section of the Offering Memorandum with the following statement:

  "There has been no significant change in the financial or trading position of HBME and its subsidiaries since 31 December 2020 nor any material adverse change in the prospects of HBME since 31 December 2020.";

- update the risk factor entitled: *Impact of Covid-19* in the Offering Memorandum in the section entitled "**Risks relating to HBEU**" as set out in Annex 1 hereto; and

- update the risk factor entitled: *Impact of Covid-19* in the Offering Memorandum in the section entitled "**Risks relating to HBME**" as set out in Annex 2 hereto.

To the extent that any document or information incorporated by reference itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Supplement or the Offering Memorandum, except where such information or documents are stated within this Supplement as specifically being incorporated by reference or where this Supplement is specifically defined as including such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated into the Offering Memorandum by this Supplement and (b) any other statement in or incorporated by reference in the Offering Memorandum, the statements in this Supplement will prevail.

HBEU confirms that, save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum and relating to HBEU and

Notes and Warrants issued by it under the Programme has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

HBME confirms that, save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Offering Memorandum and relating to HBME and Notes and Warrants issued by it under the Programme has arisen or been noted, as the case may be, since the publication of the Offering Memorandum.

ANNEX 1

Macroeconomic and geopolitical risk

Impact of Covid-19

The Covid-19 outbreak and its effect on the global economy have impacted the Group's customers and performance, and the future effects of the outbreak are uncertain. Covid-19 necessitated governments to respond at unprecedented levels to protect public health, local economies and livelihoods. It has affected regions at different times and varying degrees as it has developed. The varying government support measures and restrictions imposed in response to the Covid-19 outbreak have added challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories will be able to unwind the government support measures and restrictions and return to pre-Covid-19 economic levels will vary based on the levels of infection, local governmental decisions and access to, and ability to, roll out vaccines. There remains a risk of subsequent waves of infection, as evidenced by the recently emerged variants of the virus. Renewed outbreaks emphasise the ongoing threat of Covid-19 even in countries that have recorded lower than average cases so far.

Government restrictions imposed around the world to limit the spread of Covid-19 resulted in a sharp contraction in global economic activity during 2020. At the same time governments also took steps designed to soften the extent of the damage to investment, trade and labour markets. Economic activity recovered unevenly in the second half of 2020 as some jurisdictions imposed renewed restrictions in the fourth quarter in response to a resurgence in Covid-19 cases. While a number of vaccine candidates have announced high efficacy rates, raising hopes of widespread immunisation from Covid-19 being achieved by the end of 2021 and government restrictions being eased, the rollout of vaccination programmes could be uneven across markets, hampering the global pace of recovery even as individual markets return to pre-pandemic levels of activity.

A recovery in economic activity in the Group's major markets is currently expected in 2021, but the level of such recovery is contingent on the successful containment of the virus and the evolution of other top risks, such as the UK's relationship with the EU now that the transition period has ended. It also relies on the willingness and ability of households and businesses to return towards pre-Covid-19 spending levels.

There is a material risk of a renewed drop in economic activity. The economic fallout from Covid-19 risks increasing inequality across markets that have already suffered from social unrest. This leaves the burden on governments and central banks to maintain or increase fiscal and monetary stimulus. After financial markets suffered a sharp fall in the early phases of the spread of Covid-19, they rebounded but still remain volatile. Depending on the degree to which global economic growth suffers permanent losses, financial asset prices may suffer a further sharp fall.

The Covid-19 outbreak may also have material impacts on capital and liquidity. This may include downward customer credit rating migration, which could negatively impact the Group's risk-weighted assets and capital position, and potential liquidity stress due, among other factors, to increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks, including the UK government and the Bank of England (the "**BoE**"), have put in place to support funding and liquidity. Central banks in some markets have also initiated a series of capital measures, including the reduction of certain regulatory capital buffers, to support the ability of banks to supply credit to businesses and households through this period of economic disruption. For instance, the BoE's Financial Policy Committee reduced the UK countercyclical capital buffer rate to zero per cent.

Governments and central banks in major economies have deployed extensive measures to support their local populations. Measures implemented by governments included income support to households and funding support to businesses. Central bank measures included cuts to policy rates, support to funding markets and asset purchases. These measures are being extended in countries where further waves of the pandemic are prompting renewed government restrictions. Central banks are expected to maintain low interest rates for a considerable period of time as inflation remains contained and the debt burden of governments is expected to rise significantly.

The Group has initiated market-specific measures to support its personal and business customers through these challenging times. These have included mortgage assistance, payment holidays, the waiving of certain fees and charges, and liquidity relief for businesses facing market uncertainty and supply chain disruption. The Group is also working closely with governments, and providing support to national schemes that focus on the parts of the economy most impacted by Covid-19. On 1 July 2020, the Issuer became an accredited lender under the UK's Coronavirus Large Business Interruption Scheme.

Central bank and government actions and support measures taken in response to the Covid-19 outbreak may create restrictions in relation to capital. These may limit management's flexibility in managing the business and taking action in relation to capital distribution and capital allocation.

It is recognised that all of the above measures and actions expose the Group to heightened risks. The rapid introduction and varying nature of the government support schemes, as well as customer expectations, has led to risks as the Group implements large-scale changes in a short period of time. This has led to increased operational risks, including complex conduct considerations, increased reputational risk and increased risk of fraud. These risks are likely to be heightened further as and when those government support schemes are unwound.

In many of the Group's markets, the Covid-19 outbreak has led to a worsening of economic conditions and increased uncertainty, which has been reflected in higher ECL reserves. Furthermore, credit losses may increase due to exposure to vulnerable sectors of the economy, such as retail, hospitality and commercial real estate. The impact of the pandemic on the long-term prospects of businesses in these sectors is uncertain and may lead to significant credit losses on specific exposures, which may not be fully captured in ECL estimates. In addition, in times of crisis, fraudulent activity is often more prevalent, leading to potentially significant credit or operational losses.

The significant changes in economic and market drivers, customer behaviours and government actions caused by Covid-19 have also impacted the performance of financial models. These include retail and wholesale credit models such as IFRS loss models, as well as capital models, traded risk models and models used in the asset/ liability management process. This has required more ongoing monitoring and more frequent testing across the Group, particularly for credit models. It also has resulted in enhanced and more frequent loss model monitoring and the use of compensating controls, specifically management judgmental adjustments based on the expert judgement of senior credit risk managers. By their nature, such compensating controls require a significant degree of management judgement and assumptions to be applied, and there is a risk that future actual results/performance may differ from such judgements and assumptions. While the Group continues to review and redevelop relevant financial models, there remains considerable uncertainty around the magnitude of change required for models used by the Group. The effectiveness of financial models that are redeveloped will depend in large part on the depth and length of the economic downturn currently faced by the economies of the major markets in which the Group operates.

Central banks have reduced interest rates in most financial markets due to the adverse impact on the timelines and path for economic recovery from the Covid-19 outbreak, which in turn increased the likelihood of negative interest rates across more countries, including the UK. This raises a number of risks and concerns, such as the readiness of the Group's systems and processes to accommodate zero or negative rates for the Group's business across certain currencies, the resulting impacts on customers, regulatory constraints and the financial implications given the significant impact that prolonged low interest rates have had, and may continue to have, on the Group's net interest income. Pricing decisions will continue to be informed based on the needs of the Group's customers, together with balance sheet and market environment considerations, with the aim of ensuring a fair exchange in value. For most deposit products, decisions may be made to pass through the negative rates to customers.

However, the move to negative interest rates results in the Group's commercial margins being compressed, which has been and is expected to continue to be reflected in the Group's profitability. The pricing of this risk will need to be carefully considered, given the significant impact that prolonged low interest rates are likely to have on the Group's net interest income. If there is a rebalancing of portfolios toward fee-generating business and trading activities to offset reduced profits, the Group may become exposed once rates start rising again. These factors may challenge the long-term profitability of the banking sector, including the Group.

Moreover, the Group has financial instruments which are carried at fair value, and such fair values may be impacted by the market volatility resulting from the Covid-19 outbreak. This would in turn affect the market value of such instruments and could result in markdowns on such instruments and an increase in the size of fair value adjustments.

There remain significant uncertainties in assessing the duration of the Covid-19 outbreak and its impact. The actions taken by various governments and central banks, in particular in the UK, provide an indication of the potential severity of the downturn and post-recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. A prolonged period of significantly reduced economic activity as a result of the impact of the outbreak could have a material adverse effect on the Group's financial condition, results of operations, prospects, liquidity, capital position and credit ratings.

ANNEX 2

Macroeconomic and geopolitical risk

Impact of Covid-19

The Covid-19 outbreak and its effect on the global economy have impacted HMBE's customers and performance, and the future effects of the outbreak are uncertain. Covid-19 necessitated governments in the Middle East, North Africa and Turkey ("**MENAT**") region to respond at unprecedented levels to protect public health, local economies and livelihoods. It has affected jurisdictions in the MENAT region at different times and varying degrees as it has developed. The varying government support measures and restrictions imposed in response to the Covid-19 outbreak have added challenges, given the rapid pace of change and significant operational demands. The speed at which jurisdictions in the MENAT region will be able to unwind the government support measures and restrictions and return to pre-Covid-19 economic levels will vary based on the levels of infection, local governmental decisions and access to, and ability to, roll out vaccines. There remains a risk of subsequent waves of infection, as evidenced by the recently emerged variants of the virus. Renewed outbreaks emphasise the ongoing threat of Covid-19 even in countries that have recorded lower than average cases so far.

Government restrictions imposed around the world to limit the spread of Covid-19 resulted in a sharp contraction in global economic activity during 2020. At the same time governments also took steps designed to soften the extent of the damage to investment, trade and labour markets. Economic activity recovered unevenly in the second half of 2020 as some jurisdictions imposed renewed restrictions in the fourth quarter in response to a resurgence in Covid-19 cases. While a number of vaccine candidates have announced high efficacy rates, raising hopes of widespread immunisation from Covid-19 being achieved by the end of 2021 and government restrictions being eased, the rollout of vaccination programmes could be uneven across markets, hampering the global pace of recovery even as individual markets return to pre-pandemic levels of activity.

A recovery in economic activity in HBME's major markets, including in the MENAT region, is currently expected in 2021, but the level of such recovery is contingent on the successful containment of the virus and the evolution of other top risks. It also relies on the willingness and ability of households and businesses to return towards pre-Covid-19 spending levels.

There is a material risk of a renewed drop in economic activity. The economic fallout from Covid-19 risks increasing inequality across markets in the MENAT region. This leaves the burden on governments and central banks to maintain or increase fiscal and monetary stimulus. After financial markets suffered a sharp fall in the early phases of the spread of Covid-19, they rebounded but still remain volatile. Depending on the degree to which global economic growth suffers permanent losses, financial asset prices may suffer a further sharp fall.

The Covid-19 outbreak may also have material impacts on capital and liquidity. This may include downward customer credit rating migration, which could negatively impact HBME's risk-weighted assets and capital position, and potential liquidity stress due, among other factors, to increased customer drawdowns, notwithstanding the significant initiatives that governments and central banks, including the UAE government and the Central Bank of the UAE, have put in place to support funding and liquidity. Central banks across the MENAT region have also initiated a series of capital measures to support the ability of banks to supply credit to businesses and households through this period of economic disruption.

Governments and central banks across the MENAT region, in particular in the UAE, Kuwait, Qatar and Saudi Arabia, have deployed extensive measures to support their local populations. For instance, the Central Bank of the UAE, under the Targeted Economic Support Scheme ("**TESS**"), has facilitated the provision of temporary relief from the payment of principal and/or interest on outstanding loans for all affected private sector corporates, SMEs and individuals with specific conditions. These measures are being extended in countries where further waves of the pandemic are prompting renewed government restrictions. Central banks in the MENAT region are expected to maintain low interest rates for a considerable period of time as inflation remains contained and the debt burden of governments is expected to rise significantly.

In many of the jurisdictions in which HBME operates, HBME has initiated market-specific measures to support its personal and business customers through these challenging times, including mortgage assistance, payment holidays, the waiving of certain fees and charges, and liquidity relief for businesses facing market uncertainty and supply chain disruption. HBME is also working closely with governments and supporting national schemes in the MENAT region that focus on the parts of the economy most impacted by Covid-19.

Central bank and government actions and support measures taken in response to the Covid-19 outbreak may create restrictions in relation to capital. These may limit management's flexibility in managing the business and taking action in relation to capital distribution and capital allocation.

It is recognised that all of the above measures and actions expose HBME to heightened risks. The rapid introduction and varying nature of the government support schemes, as well as customer expectations, has led to risks as HBME implements large-scale changes in a short period of time. This has led to increased operational risks, including complex conduct considerations, increased reputational risk and increased risk of fraud. These risks are likely to be heightened further as and when those government support schemes are unwound.

In many of HBME's major markets, the Covid-19 outbreak has led to a worsening of economic conditions and increased uncertainty, which has been reflected in higher ECL reserves. Furthermore, credit losses may increase due to exposure to vulnerable sectors of the economy, such as oil prices, airlines, real estate, tourism and discretionary consumer spending sectors. The impact of the pandemic on the long-term prospects of businesses in these sectors is uncertain (and may vary from jurisdiction to jurisdiction) and may lead to significant credit losses on specific exposures, which may not be fully captured in ECL estimates. In addition, in times of crisis, fraudulent activity is often more prevalent, leading to potentially significant credit or operational losses.

The significant changes in economic and market drivers, customer behaviours and government actions caused by Covid-19 have also impacted the performance of financial models. These include retail and wholesale credit models such as IFRS loss models, as well as capital models, traded risk models and models used in the asset/ liability management process. This has required more ongoing monitoring and more frequent testing by HBME, particularly for credit models. It also has resulted in enhanced and more frequent loss model monitoring and the use of compensating controls, specifically management judgmental adjustments based on the expert judgement of senior credit risk managers. By their nature, such compensating controls require a significant degree of management judgement and assumptions to be applied, and there is a risk that future actual results/performance may differ from such judgements and assumptions. While HBME continues to review and redevelop relevant financial models, there remains considerable uncertainty around the magnitude of change required for models used by HBME. The effectiveness of financial models that are redeveloped will depend in large part on the depth and length of the economic downturn currently faced by the economies of the major markets in which HBME operates.

Central banks have reduced interest rates in most financial markets, including in the MENAT region, due to the adverse impact on the timelines and path for economic recovery from the Covid-19 outbreak, which in turn increased the likelihood of negative interest rates across more countries. This raises a number of risks and concerns, such as the readiness of HBME's systems and processes to accommodate zero or negative rates for itsbusiness across certain currencies, the resulting impacts on customers, regulatory constraints and the financial implications given the significant impact that prolonged low interest rates have had, and may continue to have, on HBME's net interest income. Pricing decisions will continue to be informed based on the needs of HBME's customers, together with balance sheet and market environment considerations, with the aim of ensuring a fair exchange in value. For most deposit products, decisions may be made to pass through the negative rates to customers.

However, the move to negative interest rates results in HBME's commercial margins being compressed, which has been and is expected to continue to be reflected in HBME's profitability. The pricing of this risk will need to be carefully considered, given the significant impact that prolonged low interest rates are likely to have on HBME's net interest income. If there is a rebalancing of portfolios toward fee-generating business and trading activities to offset reduced profits, HBME may become exposed once rates start rising again. These factors may challenge the long-term profitability of the banking sector, including HBME.

Moreover, HBME has financial instruments which are carried at fair value, and such fair values may be impacted by the market volatility resulting from the Covid-19 outbreak. This would in turn affect the market value of such instruments and could result in markdowns on such instruments and an increase in the size of fair value adjustments.

There remain significant uncertainties in assessing the duration of the Covid-19 outbreak and its impact. The actions taken by various governments and central banks in the MENAT region provide an indication of the potential severity of the downturn and post-recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. A prolonged period of significantly reduced economic activity as a result of the impact of the outbreak could have a material adverse effect on HBME's financial condition, results of operations, prospects, liquidity, capital position and credit ratings.