REGISTRATION DOCUMENT

HSBC Bank plc

(A company incorporated with limited liability in England with registered number 14259)

This document (the "**Registration Document**", which expression shall include this document and all documents incorporated by reference herein) constitutes a registration document for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). It has been prepared in connection with debt or derivative securities ("**Securities**") of HSBC Bank plc (the "**Bank**" or the "**Issuer**") which may be offered to the public or admitted to trading on a regulated market. When combined with the following documents approved by the United Kingdom Financial Conduct Authority (the "**FCA**"):

- a securities note, which contains information on the Securities; and
- a summary note (if required), which provides key information about the Issuer and the Securities in order to aid investors when considering whether to invest in the Securities,

the combination will form a prospectus in relation to the Securities for the purposes of the Prospectus Directive.

This Registration Document has been prepared for the purpose of providing disclosure information with regard to the Issuer and has been approved by the FCA, which is the United Kingdom competent authority, for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, as a registration document issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of providing information with regard to HSBC Bank plc as issuer of Securities during the period of twelve months after the date hereof.

This Registration Document includes details of the long-term and short-term credit ratings assigned to the Issuer by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"). Each of S&P, Moody's and Fitch are established in the European Union and are registered as Credit Rating Agencies under Regulation (EU) No. 1060/2009, as amended (the "**CRA Regulation**"). Each of S&P, Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

Certain risk factors relating to the Issuer are set out in "Risk Factors" which commences on page 3.

28 April 2014

CONTENTS

RISK FACTORS

Prospective investors in any Securities issued by the Bank should carefully consider risk factors associated with the business of the Bank and the industry in which it operates together with all other information contained in this Registration Document, including, in particular, the risk factors referred to in this section, which the Bank considers to be the principal risk factors relating to the Bank that may affect the Bank's ability to fulfil its obligations under its Securities. References to the Bank in this section "Risk Factors" should be taken to mean the Bank, together with its subsidiary undertakings, unless the context requires otherwise.

The risk factors relating to the Bank specified in this section "Risk Factors" do not comprise an exhaustive list or explanation of all risks relating to the Bank which investors may face when making an investment in Securities issued by the Bank and should be used as guidance only. Additional risks and uncertainties relating to the Bank that are not currently known to the Bank, or that the Bank currently deems immaterial, also may have individually or cumulatively, a material adverse effect on the business, prospects, results of operations and/or financial position of the Bank and, if any such risk should occur, the price of any Securities issued by the Bank may decline and investors could lose all or part of their investment.

Risks Relating to the Bank

A description of the risk factors relating to the Bank that may affect the ability of the Bank to fulfil its obligations to investors in relation to any of its Securities is set out in the sections entitled "*Principal Risks and Uncertainties*" on pages 20 to 24 and "*Regulation and Supervision*" on pages 79 to 81 of the 2013 Annual Report and Accounts, as incorporated by reference herein on page 21, and as further set out below.

Macroeconomic and geopolitical risk

Current economic and market conditions could materially adversely affect the Bank.

The Bank's earnings are affected by global and local economic and market conditions. Following the global financial crisis in 2007, despite signs that economies are beginning to improve, a difficult economic climate remains with continued pressures on household, financial institution and government finances. During 2013, world economic growth remained muted and growth is expected to remain relatively low in 2014. Expectations of a reduction in the scale of government repurchase schemes and quantitative easing ("**QE**") measures resulted in more volatile market conditions in 2013.

Mature economies continue to deleverage and implement austerity and structural reforms that are restricting economic activity in the short term. Growth in a number of emerging markets decelerated during 2013, affected by lower world demand and cautious official policies. In addition, capital flows were volatile, particularly during the second half of the year, and in several cases led to a tightening of monetary policy to counter capital outflows. Mainland China has experienced a slowdown in economic growth in recent years, which may be aggravated by difficulties in non-bank financial institutions. While current economic growth appears to be in line with its government's expectations, a sharper than expected slowdown could take place with consequences for all other emerging markets.

The uncertain economic conditions continue to create a challenging operating environment for financial services companies such as the Bank. In particular, the Bank may face the following challenges to its operations and operating model in connection with these factors:

- the demand for borrowing from creditworthy customers may diminish if economic activity slows or remains subdued;

- as capital flows are increasingly disrupted, some emerging markets could be tempted to impose protectionist measures that could affect financial institutions and their clients;
- European banks may come under renewed stress as a result of the interdependencies between economic conditions, the impact of the pending European Central Bank ("**ECB**") asset quality review of large banking institutions in the eurozone (the "**Asset Quality Review**") and the continuing possibility of a eurozone crisis due to, among other things, the weak growth outlook and high ratios of sovereign debt to gross domestic product in eurozone countries;
- geopolitical risks might increase in different regions of the world, affecting directly the economies of these countries and their economic policies;
- a scaling back of QE or even the expectation of such scaling back could have an adverse impact on global equity and bond prices and create turbulence in global currency (foreign exchange) markets. The pace and timing of QE cessation could also heighten market instability;
- a prolonged period of modest interest rates will constrain the net interest income the Bank earns from its investment of excess deposits, for example, through margin compression and low returns on assets;
- the Bank's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption, for example, in the event of contagion from stress in the eurozone sovereign and financial sectors; and
- market developments may depress consumer and business confidence beyond expected levels. If economic growth remains subdued, for example, asset prices and payment patterns may be adversely affected, leading to greater than expected increases in the Bank's delinquencies, default rates, write-offs and loan impairment charges. However, if growth is too rapid, new asset valuation bubbles could appear, particularly in the real estate sector, with potentially negative consequences for banks, such as the Bank.

The occurrence of any of these events or circumstances could have a material adverse effect on the Bank's business, its financial condition and prospects, the results of the Bank's operations and/or the Bank's customers.

The Bank is subject to political and economic risks in the countries in which the Bank operates, including the risk of government intervention and high levels of indebtedness.

The Bank operates through an international network of subsidiaries and affiliates. The Bank's results are subject therefore to the risk of loss from unfavourable political developments, currency fluctuations, social instability and changes in government policies on such matters as expropriation, authorisations, international ownership, interest-rate caps, limits on dividend flows and tax in the jurisdictions in which the Bank operates. For example, in spite of austerity measures and structural reforms, peripheral eurozone countries continue to exhibit a high ratio of sovereign debt to gross domestic product or short to medium-term maturity concentration of their liabilities. Further structural reforms are still needed to contain the threat of the exit of one more countries from the eurozone, which exit could trigger, among other things, foreign exchange losses. The Bank is also exposed to counterparties in core European countries which could be affected by any sovereign or currency crisis. In addition, civil unrest and demonstrations in a number of emerging markets, including Turkey, have been driven by political grievances and concerns over prevailing economic policies and may resume if growth remains subdued.

Any such unfavourable political or economic events or developments could result in deteriorating business, consumer or investor confidence leading to reduced levels of client activity and consequently a decline in revenues and/or higher costs; mark to market losses in trading books resulting from adjustments to credit ratings, share prices and counterparty solvency; or higher levels of impairment and rates of default. Such consequences could have a material adverse effect on the Bank's business, its financial condition and prospects, the results of the Bank's operations and/or the Bank's customers.

The Bank's financial results are affected by changes in foreign currency exchange rates.

The Bank prepares its accounts in pounds sterling, but because a substantial portion of the Bank's assets, liabilities, assets under management, revenues and expenses are denominated in other currencies (mainly euro and US dollars), changes in foreign exchange rates have an effect on the Bank's income, cash flows, assets and liabilities and shareholders' equity and accordingly could have a material adverse effect on the Bank's business, its financial condition and prospects, the results of the Bank's operations and/or the Bank's customers.

Macro-prudential, regulatory and legal risks to the Bank's business model

Failure of the Bank's parent company or any of the Bank's affiliates to implement its obligations under deferred prosecution agreements could materially adversely affect the Bank.

In December 2012, HSBC Holdings plc ("**HSBC Holdings**"), the Bank's parent company, and HSBC Bank USA, National Association ("**HBUS**") entered into agreements with US and UK authorities in relation to investigations regarding past inadequate compliance with anti-money laundering and sanctions laws. Among these agreements, HSBC Holdings and HBUS entered into a five-year deferred prosecution Agreement ("**US DPA"**) with the US Department of Justice ("**DoJ**") and HSBC Holdings entered into a two-year deferred prosecution agreement with the New York County District Attorney (the "**DANY DPA**", together with the US DPA, the "**DPAs**"). HSBC Holdings also entered into an undertaking with the Financial Services Authority (revised as the "**FCA Direction**") to comply with certain forward-looking obligations with respect to anti-money laundering and sanctions requirements.

Under the DPAs and other related settlement agreements, HSBC Holdings and its subsidiaries (the "**HSBC Group**") made payments totalling US$1.9 billion to US authorities and undertook to take further action to strengthen the compliance policies and procedures of the HSBC Group. The agreements with the DoJ, the US Federal Reserve Board and the FCA Direction require the HSBC Group to retain an independent monitor (who is, for the purposes of the FCA, a 'skilled person' under section 166 of the Financial Services and Markets Act 2000, as amended) to evaluate the progress in implementing the obligations under these agreements and the FCA Direction and to produce regular assessments of the effectiveness of the Bank's compliance function. Michael Cherkasky began his work as the independent monitor on 22 July 2013. His work is proceeding as anticipated, consistent with the timelines and requirements set forth in the relevant agreements.

Breach of the US DPA at any time during its term may allow the DoJ to prosecute HSBC Holdings or HBUS in relation to the matters which are the subject of the US DPA. Breach of the DANY DPA may allow the New York County District Attorney's Office to prosecute HSBC Holdings in relation to the matters which are the subject of the DANY DPA. There can be no assurance that the steps taken to address the requirements of the DPAs and the FCA Direction will be effective or that the HSBC Group will not have to take additional remedial measures in the future to comply with the terms of the DPAs or the FCA Direction. Any such breach of the DPAs or the FCA Direction leading to further enforcement action, including the prosecution of HSBC Holdings and/or HBUS, would have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations, including the potential significant loss of business and withdrawal of funding.

UK and European banking structural reform legislation and proposals could materially adversely affect the Bank, as well as the market value of the Bank's outstanding Securities.

The Independent Commission on Banking ("**ICB**") published its final report in September 2011 and the UK government expressed broad approval for the principles of (i) establishing a ring-fenced bank for retail banking activities and (ii) greater loss absorbing capacity, each as recommended by the ICB.

In December 2013, the Financial Services (Banking Reform) Act 2013 ("**Banking Reform Act**") received Royal Assent, becoming primary legislation. Certain provisions of the Banking Reform Act are already in force and the remainder will come into force on dates specified in commencement orders by Her Majesty's Treasury ("**HM Treasury**"). The Banking Reform Act implements the recommendations of the ICB and of the Parliamentary Commission on Banking Standards and, among other things, establishes a framework for 'ring-fencing' retail banking activities of UK banks from their wholesale banking activities, including trading activities. If the Prudential Regulation Authority ("**PRA**") considers the operation of a ring-fence in a UK banking group to be ineffective, subject to the approval of HM Treasury, the PRA is empowered to require the relevant UK banking group to restructure its operations. The exercise of these powers may lead to the relevant UK banking group being required to divest of part of its banking operations to a third party purchaser, including by means of a disposition of shares in the ring-fenced bank or any other member of the relevant UK banking group, to an outside person. The provisions of the Banking Reform Act implement a "ring-fencing transfer scheme", under which all or part of the business of a bank may be transferred to another body without needing to obtain the consent of all those affected by the transfer, for the purposes of complying with the ring-fencing regime. Further details relating to the implementation of the ring-fencing provisions introduced by the Banking Reform Act remain subject to the passing of secondary legislation. A consultation on drafts of such secondary legislation has been completed and the UK government has stated that it remains committed to having all necessary secondary legislation passed by the end of the current Parliament in May 2015 and to having these reforms in place by 2019. However, until such final secondary legislation is passed, there remains some uncertainty as to the detailed implementation of the ring-fencing provisions introduced by the Banking Reform Act.

Major changes to the corporate structure and business activities conducted in the UK by the Bank are expected to be required as a result of this ring-fencing legislation. The most likely restructuring will involve separating the Bank's ring-fenced retail activities from the Bank.

On a European level, in February 2012, the European Commission (the "**EC**") appointed a high level expert group under the Governor of the Bank of Finland, Erkki Liikanen, to consider potential structural changes in banks within the EU. The group recommended, among other things, that proprietary trading and certain other significant trading activities carried out by certain banks should be assigned to a separate legal entity in the banking group.

In January 2014, following a consultation period, the EC published its own legislative proposals for a regulation on structural measures to improve the resilience of the European banking sector which will, if they come into force, prohibit proprietary trading in financial instruments and commodities, and may require certain trading activities, such as market-making, complex derivatives trading and securitisation operations, to be undertaken in a separate subsidiary (the "trading entity") from that which undertakes deposit taking activities (the "core credit institution"). The proposals include rules governing the economic, legal, governance and operational separation of the trading entity and the core credit institution. The proposals will now be subject to discussion in the European Parliament and the Council of Ministers (representing the EU member states) and are not expected to be finalised and implemented before 2018.

The EC's proposals allow for derogation from the requirement for the above mentioned trading activities to be undertaken in a separate trading entity for super-equivalent national regimes. However, it is currently not known whether derogations, if permitted by the regulation as enacted, would be granted to enable the Bank, and certain of its subsidiaries that operate outside of the UK in countries with their own national regimes, such as HSBC France, to avoid multiple and potentially conflicting ring-fencing regimes. The relationship between EC proposals and the UK and other national proposals has still to be clarified (as does the interaction between these proposals and the Volcker Rule). In particular, unlike the EC's proposals, the Banking Reform Act does not apply to UK branches of EU banks. More generally, although the scope of both the UK and the proposed EU regimes is not yet known, they are currently expected to apply different criteria which will identify those institutions impacted by their respective requirements. The Banking Reform Act additionally prohibits a ring-fenced bank from establishing a branch outside the EU, while the EC proposals would permit a non-EU branch, but would subject it to the requirements of the EC proposals. The G20 has asked the Financial Stability Board, in collaboration with the International Monetary Fund and The Organisation for Economic Co-operation and Development, to assess the cross-border consistency and global financial stability implications of these structural proposals, and this assessment is to be completed by the end of 2014.

Structural changes could result in significant increased costs related to the implementation of the restructuring and running of the Bank's operations going forward, in particular where EU and national legislation do not overlap (or it is unclear whether they overlap) and derogations are not granted they could also result in a significant reduction in the Bank's assets. Any of these increased costs and restrictions could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations. Moreover, the structural changes due to ring-fencing legislation described above could have a material adverse effect on the market value of the Bank's outstanding Securities.

The Bank's Securities may be subject to the European resolution regime

On 18 December 2013, the Council of the European Union published a revised draft of a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Recovery and Resolution Directive**" or "**RRD**"), which was subsequently approved by the European Parliament on 15 April 2014. Certain provisions of the RRD may also apply to holding companies of credit institutions and investment firms. The stated aim of the RRD is to provide supervisory authorities, including the relevant UK resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers proposed to be granted to supervisory authorities under the RRD include (but are not limited to) a "write-down and conversion of capital instruments" power and a "bail-in" power.

The write-down and conversion of capital instruments power may be used where the relevant UK resolution authority has determined that the institution concerned has reached the point of non-viability. It may be used before resolution has commenced, and must be used before the bail-in power is used. Any write-down effected using this power must reflect the insolvency priority of the written-down claims – thus, common equity must be written off in full before subordinated debt is affected. Where the write-down and conversion of capital instruments power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments power is not subject to the "no creditor worse off" safeguard.

The bail-in power would give the relevant UK resolution authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include any Securities) of a failing financial institution or its holding company, and/or to convert certain debt claims (which could be the Bank's Securities) into another security, including ordinary shares of the surviving entity, if any. The RRD provides that the relevant UK resolution authority will apply the "bail-in" power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the RRD requires the relevant UK resolution authority to write down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) eligible senior claims. As a result, subordinated Securities which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate such Securities to the Bank's other subordinated indebtedness that is not additional tier 1 or tier 2 capital.

The RRD contemplates that the majority of measures (including the write-down and conversion of capital instruments power) will be implemented with effect from 1 January 2015, with the bail-in power expected to be introduced by 1 January 2016. However, although the RRD has been approved by the European Parliament, it is not in final form, and changes may still be made to it in the course of the legislative process and it is possible that anticipated implementation dates could change. Moreover, as discussed under "*The Bank could be made subject to a special resolution regime under the Banking Act and its Securities could be subject to bail-in*" below, the anticipated entry into force of the provisions of the Banking Reform Act (as detailed below) will accelerate the implementation timeframe for many of the resolution powers in the United Kingdom.

As well as a "write-down and conversion of capital instruments" power and a "bail-in" power, the powers currently proposed to be granted to the relevant UK resolution authority under the RRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge institution" (an entity created for such purpose that is wholly or partially in public control) and (iii) separate assets by transferring impaired or problem assets to a bridge institution or one or more asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down. In addition, the RRD proposes, among the broader powers proposed to be granted to the relevant UK resolution authority, to provide powers to the UK resolution authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments and/or discontinuing the listing and admission to trading of debt instruments.

There remains significant uncertainty regarding the ultimate nature and scope of these powers and, if ever implemented, how they would (if exercised) affect the Bank and its Securities. Accordingly, it is not yet possible to assess the full impact of the RRD on the Bank and on holders of its Securities, and there can be no assurance that, the manner in which it is implemented or the taking of any actions by the relevant UK resolution authority currently contemplated in the RRD would not materially adversely affect the rights of holders of the Bank's Securities, the market value of an investment in its Securities and/or the Bank's ability to satisfy its obligations under its Securities.

Article 518 of Regulation (EU) No. 575/2013 (the "**CRD IV Regulation**") (which supplements the EU Capital Requirements Directive ("**CRD IV**")) states that if the RRD is not adopted by 31 December 2015, the European Commission should review and report whether the CRD IV Regulation should be amended so as to include write-down and conversion of capital instruments powers to ensure that relevant capital instruments fully absorb losses at the point of non-viability of the issuing institution and before any other resolution action is taken. This means that even if the RRD does not take effect, there is a strong possibility that powers equivalent to the "write-down and conversion of capital instruments" power described above could be brought into force in any event through this mechanism.

The powers which the RRD requires to be conferred on the UK resolution authorities (including especially the write-down and conversion of capital instruments power and the bail-in power) could, therefore, materially adversely affect the market value of all of the Securities then in issue by the Bank, and could lead to the holders of those Securities losing some or all of their investment. Moreover, trading behaviour, including prices and volatility, may be affected by the use or any suggestion of the use of these powers. As a result, in such circumstances, Securities issued by the Bank are not necessarily expected to follow the trading behaviour associated with other types of securities.

The Bank could be made subject to a special resolution regime under the Banking Act and its Securities could be subject to bail-in

The Bank could be made subject to the special resolution regime under the Banking Act 2009 (the "**Banking Act**") which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the Bank of England, the PRA and the FCA in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These powers include powers to: (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include Securities issued by the Bank), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) override any default provisions, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain new insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

The above powers could potentially be used in such a way as to result in Securities issued by the Bank absorbing losses in a manner similar to that described above in the discussion of the "bail-in" power under the RRD (see "*The Bank's Securities may be subject to the European resolution regime*" above).

In December 2013, the Financial Services (Banking Reform) Act (the "**Banking Reform Act**") received Royal Assent. The Banking Reform Act includes amendments to the Banking Act to add a bail-in option to the powers of the UK resolution authority. However, as of the date of this Registration Document, parts of the Banking Reform Act, including those relating to the bail-in option, have not yet come into force.

The bail-in option is introduced as an additional power available to the Bank of England, as the relevant UK resolution authority, acting through its special resolution unit as part of the special resolution regime under the Banking Act, to enable it to recapitalise an institution which is in resolution by allocating losses to its shareholders and unsecured creditors in a manner that ought to respect the hierarchy of claims in an insolvency of a relevant financial institution, in accordance with the overriding principle that shareholders and creditors of financial institutions should not receive less favourable treatment than they would have done in an insolvency. The bail-in option includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the bank under resolution and the power to convert a liability from one form to another. The conditions for use of the bail-in option are, in summary, that the PRA determines that (i) the bank is failing or likely to fail and, (ii) it is not reasonably likely that any other action can be taken to avoid the bank's failure and the UK resolution authority determines that it is in the public interest to exercise the bail-in option.

The bail-in option under the Banking Act would potentially apply to any securities issued by a bank under resolution or its parent company, regardless of when they were issued. The UK Government has expressed confidence that the bail-in option under the Banking Act can be introduced without the risk of having to adapt to a radically different regime when the RRD is implemented. However, it is possible that the RRD, when adopted, may nevertheless require amendments to the bail-in option implemented under the Banking Act.

Although the exercise of the powers under the bail-in option is subject to certain listed statutory pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Bank or not directly related to the Bank) which the UK resolution authority would consider in deciding whether to exercise such powers with respect to the Bank and its Securities. Moreover, as the UK resolution authority has considerable discretion in relation to how and when it may exercise such powers, holders of the Bank's Securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such powers and consequently its potential effect on the Bank and its Securities.

The Bank is subject to a number of legal and regulatory actions and investigations, the outcomes of which are inherently difficult to predict.

The Bank faces significant legal and regulatory risks in its business. See the sections entitled "Regulatory commitments and consent orders" and "Conduct of business" on pages 22 to 23 of the 2013 Annual Report and Accounts for further details. The volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial institutions are increasing for many reasons, including a substantial increase in the number of regulatory changes taking place globally and higher expectations from regulators and the public.

Additionally, the Bank continues to be subject to a number of material legal proceedings, regulatory actions and investigations (see Note 42 ("Legal proceedings and regulatory matters") on pages 207 to 210 of the 2013 Annual Report and Accounts for further details). It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Bank’s businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seeking damages of unspecified or indeterminate amounts or involving novel legal claims. An unfavourable result in one or more of these proceedings could result in the Bank incurring significant expense, substantial monetary damages, loss of significant assets, other penalties and injunctive relief, potential regulatory restrictions on the Bank's business and/or a negative effect on the Bank's reputation, any of which could have a material adverse effect on the Bank’s business, its financial condition and prospects and/or results of the Bank’s operations.

Unfavourable legislative or regulatory developments, or changes in the policy of regulators or governments could materially adversely affect the Bank.

The Bank’s businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, guidance, voluntary codes of practice and their interpretations in the UK, the EU and the other markets where the Bank operates ("**Regulations**"). This is particularly so in the current environment, where the Bank expects government and regulatory intervention in the banking sector to continue to increase for the foreseeable future. Additionally, many of these changes increasingly have an impact beyond the country in which they are effected, as Regulations increasingly have extra-territorial effect or the Bank’s operations mean that the Bank is obliged to give effect to local Regulations on a wider basis.

Regulatory reforms which could have a material adverse effect on the Bank’s business, its financial condition and prospects and/or results of the Bank’s operations include:

- general changes in government, central bank or regulatory policy, or changes in regulatory regimes that may influence investor decisions in particular markets in which the Bank operates. For example, the regulatory structure in the UK comprising the PRA, the FCA and the Financial Policy Committee ("**FPC**") and the granting to the ECB of supervisory powers, may affect the Bank and its activities. In particular, the FPC has the ability to require UK banks to hold additional capital for lending to sectors perceived as higher risk and to increase the amount of capital that banks are required to hold when threats to financial stability are judged to be emerging;

- the introduction of the EU Capital Requirements Directive and Regulation ("**CRD IV**") which implements in the EU the Basel III measures, the publication by the PRA of its final rules on implementing CRD IV and the forthcoming ECB Asset Quality Review, each of which relates to the quality and quantity of capital that eurozone banks must hold. There remains however, continued uncertainty as to the ongoing amount and quality of capital that banks will be required to hold under CRD IV. This includes uncertainty in relation to the quantification of, and the interaction between, CRD IV capital buffers and the Pillar 2 capital planning buffer (the "**PRA Buffer"**), where further PRA consultations are due in 2014. Furthermore, there are a significant number of draft and unpublished European Banking Authority ("**EBA**") technical standards due in 2014 that will potentially impact the Bank's capital position and risk weighted assets;

- final implementation of the Banking Reform Act which gives effect to the recommendations of the ICB in relation to the future ring-fencing of retail banking activities of UK bank's from their wholesale banking activities, and proposals in France, Germany and of the EC for the ring-fencing of certain activities, including trading activities, and the prohibition of certain proprietary trading activities;

- changes in the regime for the operation of capital markets, including the introduction of central clearing, reporting and margin requirements through the European Market Infrastructure Regulation and the revised Markets in Financial Instruments Directive/Regulation;

- requirements flowing from arrangements for the recovery and resolution of the Bank and its main operating entities;

- the ongoing implementation of the Dodd–Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"). Uncertainty remains about many of the details, impact and timing of some of these reforms and the effect they will ultimately have on the Bank. Within the Dodd-Frank Act, the Volcker Rule is intended to prohibit deposit-taking banks in the United States and their affiliates from engaging in proprietary trading and investing in or sponsoring hedge funds or private equity funds. The Volcker Rule came into force in July 2012, subject to a 'conformance period' at the expiration of which financial institutions subject to the rule must have brought their activities and investments into compliance with the rule. On 10 December 2013, US regulators released final version regulations to implement the Volcker Rule, which extended the conformance period for all banking entities until 21 July 2015 (with the possibility of two one-year extensions under certain circumstances and for certain activities). The Bank continues to update its existing conformance plans accordingly to comply with these final rules;

- the US Foreign Account Tax Compliance Act;

- further requirements relating to financial reporting, corporate governance, conduct of business and employee compensation; and

- requirements relating to expropriation, nationalisation, confiscation of assets and changes in legislation or regulations relating to foreign ownership.

Regulators and governments also continue to focus on the ways in which business is conducted. Relevant regulatory initiatives in the UK include the FCA's 'Retail Distribution Review' and the FCA's 'Mortgage Market Review', changes to the consumer credit regime and an ever greater focus by the Bank's regulators on conduct risk, including in relation to sales processes and incentives, product and investment suitability and conduct of business concerns more generally. There remains uncertainty regarding the details and timing of some of these reforms and the effect they will ultimately have on the Bank. These reforms are concerned principally, but not exclusively, with the conduct of business with retail customers and in conjunction with this focus, the UK regulators are making increasing use of existing and new powers of intervention and enforcement, including powers to consider past business undertaken and to implement customer compensation and redress schemes or other potentially significant remedial work. Additionally, UK and other regulators may increasingly take action in response to customer complaints either specific to an institution or more generally in relation to a particular product. The Bank has seen recent examples of this approach in the context of the possible mis-selling of payment protection insurance, of interest rate derivative products to SMEs and of wealth management products. The Financial Ombudsman Service in the UK and/or any court decisions in relation to customer complaints (or any overseas equivalent that has jurisdiction) could also be applied to a wider class or grouping of customers. Moreover, the UK government and governments of other jurisdictions, the Bank's regulators in the UK, the EU or elsewhere, may intervene further in relation to areas of industry risk already identified, or in new areas.

Further, regulators in the UK and elsewhere are increasingly pursuing investigations in relation to employee activities in relation to benchmark, index and other rate setting, in relation to the operation of other (non-retail) markets, including foreign exchange markets and in relation to alleged anti-competitive activity in the credit derivative market. While these investigations are generally focused on the wholesale sector, regulators may not only exercise powers in relation to relevant market participants in that sector, but may also consider the wider effects of such activities for customers more generally and impose appropriate measures, including, for example, customer redress or compensation schemes, as well as fines and/or other actions against involved companies and relevant individuals.

The Bank will be subject to increased costs in order to comply with all applicable Regulations, including changes in such Regulations or their interpretations. In addition, the Bank may fail to comply with such applicable Regulations, particularly in areas where applicable Regulations may be unclear or are interpreted differently in different jurisdictions, or where regulators revise existing guidance or courts overturn previous rulings. Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against the Bank, which could result in, among other things, increased costs in connection with any administrative or judicial enforcement action, the suspension or revocation of the Bank's licenses, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action.

More stringent regulatory requirements, including those relating to enhanced capital, liquidity and funding requirements and those governing the development of parameters and assumptions applied to, and controls around, models used for measuring risk, can give rise to changes that may adversely affect the Bank's business, including increases in capital requirements. Moreover, uncertainty and lack of international regulatory coordination as enhanced supervisory standards are developed and implemented may adversely affect the Bank's ability to engage in effective business, capital and risk management planning.

Given the focus of regulators on the conduct of business, there is a significant risk that the UK and other regulators may identify future industry-wide mis selling, market misconduct or other issues that could affect the Bank. This may lead to: (i) significant direct costs or liabilities (including in relation to mis-selling or improper activities); and (ii) changes in the practices of the Bank's businesses.

Each of the risks and possible outcomes identified above could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Failure to meet the requirements of regulatory stress tests could adversely affect the Bank.

Supervisory stress test requirements are increasing in frequency and in the granularity of information required. The Bank is subject to supervisory stress testing in many jurisdictions. These exercises include the programmes of the Bank of England, the PRA, the EBA and the ECB, as well as stress tests undertaken in many other jurisdictions.

As a member of the HSBC Group, the Bank is taking part in the Bank of England's concurrent stress test exercise in 2014. This programme will include common base and stress scenarios applied across all major UK banks designed by the FPC and bespoke scenarios designed by individual banks and approved by the PRA Board. The exercise will be supported by a complementary programme of data provision to the Bank of England under its Firm Data Submission Framework. The PRA is considering a range of options relating to the disclosure of the outcomes of, and analysis associated with, this stress test exercise.

In October 2013, the Bank of England published a discussion paper titled "A framework for stress testing the UK banking system". The proposed framework will replace the current stress testing for the PRA Buffer with annual concurrent stress tests, the results of which are expected to inform the setting of the PRA Buffer, the countercyclical capital buffer, sectoral capital requirements and other FPC recommendations to the PRA. The PRA is expected to consult on the transition to the PRA Buffer and the relationship between the PRA Buffer and the proposed concurrent stress-testing exercise in 2014. These buffers are described on page 81 of the 2013 Annual Report and Accounts.

Members of the HSBC Group will be included in the next round of European stress test exercises scheduled for 2014. HSBC France and HSBC Bank Malta p.l.c. will participate in the ECB's Asset Quality Review, run as part of the ECB's comprehensive assessment prior to inception of the 'Single Supervisory Mechanism' in November 2014. Such entities will also be subject to the ECB's stress testing process, another component of the ECB's comprehensive assessment and which will incorporate the results of the Asset Quality Review. The ECB's stress testing process will be closely aligned with the stress test being conducted by the EBA and in which HSBC Holdings is taking part. The ECB and the EBA have announced capital thresholds of 8% common equity tier 1 ("**CET1**") for the baseline scenario and 5.5% CET1 for the stress scenario. National regulators may set higher hurdle rates and formally commit to take specific actions on the basis of those higher requirements. Disclosure of the results from the ECB's comprehensive assessment, including the ECB stress testing process, and the EBA's stress test, are planned for late 2014.

Failure to meet requirements of regulatory stress tests, or the failure by regulators to approve the stress test results and capital plans of members of the HSBC Group, could result in the Bank being required to increase capital, reduce leverage exposure (through asset sales or through making changes to the Bank's business model), reduce lending to customers and/or take additional measures to strengthen the Bank's capital position, which could have an adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank is subject to tax-related risks in the countries in which the Bank operates.

The Bank is subject to the substance and interpretation of tax laws in all countries in which the Bank operates and is subject to routine review and audit by tax authorities in relation thereto. The Bank provides for potential tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities. The amounts ultimately paid may differ materially from the amounts provided for, depending on the ultimate resolution of such matters. Changes to tax law, tax rates and penalties for failure to comply could have a material adverse effect on the Bank’s business, its financial condition and prospects and/or results of the Bank’s operations.

Risks related to the Bank’s business operations, governance and internal control systems including compliance

The Bank’s risk management measures may not be successful.

The management of risk is an integral part of all the Bank’s activities. Risk constitutes the Bank’s exposure to uncertainty and the consequent variability of return. Specifically, risk equates to the adverse effect on profitability or financial condition arising from different sources of uncertainty, including retail and wholesale credit risk, market risk, operational risk, non-traded market risk, insurance risk, concentration risk, liquidity and funding risk, litigation risk, conduct risk, reputational risk, strategic risk, pension obligation risk and regulatory risk. The Bank seeks to monitor and manage its risk exposure through a variety of separate but complementary control and reporting systems, such as financial, credit, market, operational, compliance and legal. While the Bank employs a broad and diversified set of risk monitoring and risk mitigation techniques, such techniques and the judgements that accompany their application cannot anticipate every unfavourable event or the specifics and timing of every outcome. Failure to manage risks appropriately could have an adverse effect on the Bank's income, cash flows and the value of assets and liabilities, which could have a material adverse effect on the Bank’s business, its financial condition and prospects and/or results of the Bank’s operations.

Operational risks are inherent in the Bank’s business.

The Bank is exposed to many types of operational risk that are inherent in banking operations, including fraudulent and other criminal activities (both internal and external), breakdowns in processes or procedures and systems failure or non availability. These risks apply equally when the Bank relies on outside suppliers or vendors to provide services to the Bank and the Bank’s customers. These operational risks could have a material adverse effect on the Bank’s business, its financial condition and prospects and/or results of the Bank’s operations. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Bank will necessarily be unable to comply with its obligations as a company with securities admitted to the Official List or as a supervised firm regulated by the FCA and the PRA.

The Bank’s operations are subject to the threat of fraudulent activity.

Fraudsters may target any of the Bank’s products, services and delivery channels including lending, internet banking, payments, cards services and account takeover. This may result in financial loss to the Bank, an adverse customer experience, reputational damage and potential regulatory action depending on the circumstances of the event. Any manifestation of such risks could have a material adverse effect on the Bank’s business, its financial condition and prospects and/or results of the Bank’s operations.

The Bank’s operations are subject to disruption from the external environment.

The Bank operates in many geographical locations that are subject to events outside the Bank’s control. These events may be acts of God, such as natural disasters and epidemics, geopolitical risks including acts of terrorism, political instability and social unrest and infrastructure issues such as transport or power failure. These events may give rise to disruption to the Bank’s services and/or result in physical damage and/or loss of life, which could have a material adverse effect on the Bank’s business, its financial condition and prospects and/or results of the Bank’s operations.

The Bank may fail to adequately manage its third-party suppliers.

The Bank also utilises third-party firms for the supply of certain of its goods and services. The inadequate management of its significant third-party suppliers of goods and services could lead to a failure to meet the Bank's operational and business requirements, which in turn may involve regulatory breaches, civil or monetary penalties or damage both to shareholder value and to the Bank's reputation/brand image. Any such failure could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's operations are highly dependent on the Bank's information technology systems, which are subject to failures resulting from cyber attacks or otherwise.

The reliability and security of the Bank's information and technology infrastructure and the Bank's customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the Bank's brand. The proper functioning of the Bank's payment systems, financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between the Bank's branches and main data processing centres, are critical to the Bank's operations.

Critical system failure, any prolonged loss of service availability or any material breach of data security, particularly involving confidential customer data, could cause serious damage to the Bank's ability to service its clients, could breach regulations under which the Bank operates and could cause long-term damage to the Bank's business and brand. Moreover, the threat from cyber attacks is a concern for the Bank's organisation and failure to protect the Bank's operations from future internet crime or cyber attacks may result in financial loss and loss of customer data or other sensitive information, which could undermine the Bank's reputation and its ability to attract and keep customers. They may also lead to potentially large costs to rectify any issues and reimburse losses incurred by customers. Each of these risks and related risks could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may not be able to meet regulatory requests for data and such failure could materially adversely affect the Bank.

New regulatory requirements necessitate more frequent reporting, which requires accurate, consistent and timely management information and analysis to be produced. Inadequate management information systems or processes could lead to a failure to meet its regulatory reporting obligations or other internal or external information demands, which could lead to fines or other regulatory action that could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's operations have inherent reputational risk.

Reputational risk is the risk that illegal, unethical or inappropriate behaviour by the Bank itself, members of staff, representatives of the Bank or its clients act in a way that will damage the Bank's reputation leading, potentially, to a loss of business, fines or penalties. Reputational risk could arise from negative public opinion about the actual, or perceived, manner in which the Bank conducts its business activities, its financial performance, and actual or perceived practices in banking and the financial services industry generally.

Modern technologies, in particular online social networks and other broadcast tools which facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the impact of damaging information and allegations. Negative public opinion may adversely affect the Bank's ability to keep and attract customers, in particular, corporate and retail depositors, which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank is subject to the risk of employee misconduct and non-compliance with regulations and policies.

The Bank's businesses are exposed to risk from potential non-compliance with regulations and policies, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. It is not always possible to deter employee misconduct and the precautions the Bank takes to prevent and detect this activity may not always be effective. Any manifestation of this risk could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Failure of the Bank to recruit, retain and develop appropriate senior management and skilled personnel could have a material adverse effect on the Bank.

The Bank's continued success depends in part on the continued service of key members of its management team. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Bank's strategy. The successful implementation of the Bank's growth strategy depends on the availability of skilled management, both at its head office and at each of its business units. If one of the Bank's business units or other functions fails to staff its operations appropriately, fails to attract and appropriately train, motivate and retain qualified professionals or loses one or more of its key senior executives, and fails to replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support the Bank's business, this could place the Bank at a significant competitive disadvantage and prevent the Bank from successfully implementing its strategy, which could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's financial statements are based in part on judgments, estimates and assumptions that are subject to uncertainty.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Due to the inherent uncertainties in making estimates, judgements and assumptions, actual results reported in future periods may differ from those reported in prior periods. The accounting policies deemed critical to the Bank's results and financial position, based upon materiality and significant judgements and estimates, include impairment of loans and advances, goodwill impairment, valuation of financial instruments, pensions and provisions for liabilities, which are discussed in detail in "Critical accounting policies" on pages 123 to 126 of the 2013 Annual Report and Accounts.

An example of where the inherent uncertainty in making estimates, judgements and assumptions may cause actual results reported in future periods to differ from those reported in prior periods is in relation to the valuation of financial instruments measured at fair value, which can be subjective, in particular where models are used that include unobservable inputs. Given the uncertainty and subjectivity associated with valuing such instruments, future outcomes may differ materially from those assumed using information available at the reporting date. For further details, see "Fair value of financial instruments carried at fair value" on pages 179 to 191 of the 2013 Annual Report and Accounts.

Changes in estimates, judgements or assumptions used in the preparation of the Bank's future financial statements from estimates, judgements or assumptions used in prior periods could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Third parties may use the Bank as a conduit for illegal activities without the Bank's knowledge.

The Bank is required to comply with applicable anti-money laundering laws and regulations and has adopted various policies and procedures, including internal control and 'know-your-customer' procedures, aimed at preventing use of the Bank's products and services for the purposes of committing or concealing a financial crime. A major focus of US and UK governmental policy relating to financial institutions in recent years has been combating money laundering and enforcing compliance with US and EU economic sanctions, and this prioritisation is evidenced by agreements between members of the HSBC Group with US and UK authorities relating to various investigations regarding past inadequate compliance with anti-money laundering and sanctions law.

Where permitted by regulation, the Bank may rely upon certain counterparties to maintain and properly apply their own appropriate anti-money laundering procedures. While permitted by regulation, such reliance may not be completely effective in preventing third parties from using the Bank (and the Bank's relevant counterparties) as a conduit for money laundering, including illegal cash operations, without the Bank's (and its relevant counterparties') knowledge. Becoming party to money laundering or association with, or even accusations of being associated with, money laundering will damage the Bank's reputation and may result in the Bank becoming subject to fines, sanctions and/or legal enforcement (including being added to 'blacklists' that would prohibit certain parties from engaging in transactions with the Bank). Any one of these outcomes could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Risks related to the Bank's business

The Bank has significant exposure to counterparty risk within the financial sector and to other risk concentrations.

The Bank has exposure to virtually all major industries and counterparties, and the Bank routinely executes transactions with counterparties in financial services, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. Many of these transactions expose the Bank to credit risk in the event of default by its counterparty or client. The Bank's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions. Financial institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships. As a consequence, a default by, or decline in market confidence in, individual institutions, or anxiety about the financial services industry generally, can lead to further individual and/or systemic difficulties, defaults and losses.

Mandatory central clearing brings new risks to the Bank because the Bank, together with other clearing members, will be required to underwrite losses incurred at Central Counterparty ("**CCP**"). As a result, central clearing members, including the Bank, may suffer losses due to the default of other clearing members or their clients. Hence central clearing brings with it a new element of interconnectedness between clearing members and clients, which the Bank believes may increase rather than reduce the Bank's exposure to systemic risk. At the same time, the Bank's ability to manage such risk, will be reduced because the management of such risk has been largely outsourced to CCP and it is unclear at present how, at a time of stress, regulators and resolution authorities will intervene.

Where bilateral counterparty risk has been mitigated by taking collateral, the Bank's credit risk may remain high if the collateral the Bank holds cannot be realised or has to be liquidated at prices which are insufficient to recover the full amount of its loan or derivative exposure. There is a risk that collateral cannot be realised, including situations where this arises due to a change of law that may affect the Bank's ability to foreclose on collateral or otherwise enforce contractual rights.

The Bank also has credit exposure arising from mitigants such as credit default swaps ("**CDSs**"), and other credit derivatives, each of which is carried at fair value. The risk of default by counterparties to CDSs and other credit derivatives used as mitigants impacts on the fair value of these instruments depending on the valuation and the perceived credit risk of the underlying instrument against which protection has been purchased. Any adjustments or fair value changes could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank is subject to risks associated with market fluctuations.

The Bank's businesses are inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, commodity, equity, bond and property prices and the risk that the Bank's customers act in a manner inconsistent with its business, pricing and hedging assumptions.

Market movements will continue to significantly affect the Bank in a number of key areas. For example, the Bank's pension scheme assets include equity and debt securities, the cash flows of which change as equity prices and interest rates vary. Banking and trading activities are subject to interest rate risk, foreign exchange risk, inflation risk and credit spread risk. Changes in interest rate levels, interbank spreads over official rates, yield curves and spreads affect the interest rate spread realised between lending and borrowing costs. The potential for future volatility and margin changes remains. Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict the Bank's ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

The Bank's insurance businesses are exposed to the risk that market fluctuations will cause mismatches to occur between product liabilities and the investment assets which back them. Market risks can affect the Bank's insurance products in a number of ways depending upon the product and associated contract. For example, mismatches between assets and liability yields and maturities give rise to interest rate risk. Some of these risks are borne directly by the customer and some are borne by the insurance businesses themselves, with their excess capital invested in the markets. Some insurance contracts involve guarantees and options that increase in value in adverse investment markets. There is a risk that the insurance businesses will bear some of the cost of such guarantees and options. The performance of the investment markets will thus have a direct effect upon the value embedded in the insurance and investment contracts.

It is difficult to predict with any accuracy changes in market conditions, and such changes could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may experience periods of reduced liquidity or be unable to raise funds, each of which is essential to the Bank's businesses.

The Bank's ability to borrow on a secured or unsecured basis and the cost of so doing can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to the Bank or the banking sector, including the Bank's perceived or actual creditworthiness.

Current accounts and savings deposits payable on demand or at short notice form a significant part of the Bank's funding, and the Bank places considerable importance on maintaining their stability. For deposits, stability depends upon preserving investor confidence in the Bank's capital strength and liquidity, and on comparable and transparent pricing. Although deposits have been, over time, a stable source of funding, this may not continue.

The Bank also accesses wholesale markets in order to align asset and liability maturities and currencies and to maintain a presence in local markets. An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a substantial adverse effect on the Bank's liquidity. Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase the Bank's funding costs or challenge its ability to raise funds to support or expand its businesses, materially adversely affecting the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

If the Bank is unable to raise funds through deposits and/or in the capital markets, the Bank's liquidity position could be adversely affected and the Bank might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet the Bank's obligations under committed financing facilities and insurance contracts, or to fund new loans, investments and businesses. The Bank may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, the Bank may be unable to sell some of its assets, or it may need to sell assets at depressed prices, which in either case could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

Any reduction in the credit rating assigned to the Bank, any subsidiaries of the Bank or any of their respective debt securities could increase the cost or decrease the availability of the Bank's funding and materially adversely affect the Bank's liquidity position and interest margins.

Credit ratings affect the cost and other terms upon which the Bank is able to obtain market funding. Rating agencies regularly evaluate the Bank and certain of its subsidiaries, as well as their respective debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Bank or of the relevant entity, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Bank's or the relevant entity's current ratings or outlook, especially in light of the difficulties in the financial services industry and the financial markets. At the end of 2013, the Bank's long-term debt was rated AA-, AA- and Aa3 by Fitch, Standard & Poor's and Moody's, respectively. Fitch's rating outlook was stable, whereas Moody's and Standard & Poor's rating outlook was negative. Any reductions in these ratings and outlook could increase the cost of the Bank's funding, limit access to capital markets and require additional collateral to be placed and, consequently, materially adversely affect the Bank's interest margins and/or the Bank's liquidity position, which in turn could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may experience adverse changes in the credit quality of the Bank's borrowers.

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties (for example, reinsurers and counterparties in derivative transactions) are inherent in a wide range of the Bank's businesses. Adverse changes in the credit quality of the Bank's borrowers and counterparties arising from a general deterioration in economic conditions or systemic risks in the financial systems could reduce the recoverability and value of the Bank's assets and require an increase in the Bank's loan impairment charges.

The Bank estimates and recognises impairment allowances for credit losses inherent in the Bank's credit exposure. This process, which is critical to the Bank's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how these economic conditions might impair the ability of the Bank's borrowers to repay their loans and the ability of other counterparties to meet their obligations. As is the case with any such assessments, the Bank may fail to estimate accurately the effect of factors that the Bank identifies or fail to identify relevant factors. Further, the information the Bank uses to assess the creditworthiness of its counterparties may be inaccurate or incorrect. Any failure by the Bank to accurately estimate the ability of the Bank's counterparties to meet their obligations could result in significant losses for the Bank which have not been provided for. Such losses may have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank's insurance businesses are subject to risks relating to insurance claim rates and changes in insurance customer behaviour.

The Bank provides various insurance products for customers with whom the Bank has a banking relationship, including several types of life insurance products. The cost of claims and benefits can be influenced by many factors, including mortality and morbidity rates, lapse and surrender rates and, if the policy has a savings element, the performance of assets to support the liabilities. Adverse developments in any of these factors could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

The Bank may be required to make substantial contributions to the Bank's pension plans, which could affect the Bank's cash flow.

The Bank operates a number of pension plans, including defined benefit plans. Pension scheme obligations fluctuate with changes in long-term interest rates, inflation, salary levels and the longevity of scheme members. The level of contributions the Bank makes to the Bank's pension plans has a direct effect on the Bank's cash flow. To the extent plan assets are insufficient to cover existing liabilities, higher levels of contributions may be required. As a result, deficits in those pension plans could have a material adverse effect on the Bank's business, its financial condition and prospects and/or results of the Bank's operations.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Registration Document:

- the 2012 Annual Report and Accounts of the Bank and its subsidiary undertakings for the year ended 31 December 2012 submitted to and filed with the UK Listing Authority (the "**2012 Annual Report and Accounts**"); and

- the 2013 Annual Report and Accounts of the Bank and its subsidiary undertakings for the year ended 31 December 2013 submitted to and filed with the UK Listing Authority (the "**2013 Annual Report and Accounts**") and the additional financial information document in relation to the year ended 31 December 2013 submitted to and filed with the UK Listing Authority (the "**Additional Information**"). The Additional Information is additional financial information, which is intended to be read in conjunction with the 2013 Annual Report and Accounts, but which is not required to be included in the 2013 Annual Report and Accounts by either the UK Companies Act 2006 (the "**Companies Act**") or by International Financial Reporting Standards. It includes commentary on the results of the Bank and its subsidiaries (the "**Group**") in 2012 versus 2011 and certain statistics and other information, including adjusted 2012 and 2011 segmental information comparatives to reflect changes to the Bank's management structure. The Additional Information has been published by the Bank together with the 2013 Annual Report and Accounts.

The Bank will, at its registered office and at the specified offices of the paying agents specified on the final page of this Registration Document (the "**Paying Agents**"), make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Registration Document including any document incorporated by reference herein. Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent. Additionally, this Registration Document and all the documents incorporated by reference herein will be available for viewing at www.hsbc.com (please follow links to 'Investor relations', 'Fixed income securities' and 'Issuance programmes').

Any information incorporated by reference in the above documents does not form part of this Registration Document and, to the extent that only certain parts of the above documents are specified to be incorporated by reference hereunder, the non-incorporated parts of such documents are either not relevant for investors or are covered elsewhere in this Registration Document.

IMPORTANT NOTICES

HSBC Bank plc accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Bank, which has taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Registration Document is to be read and construed with all documents incorporated by reference into it.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document, including any documents incorporated by reference herein, and, if given or made, such information or representation must not be relied upon as having been authorised by the Bank, or any trustee or any dealer appointed in relation to any issue of Securities by the Bank.

This Registration Document, including any documents incorporated by reference herein should not be considered as a recommendation by the Bank, any trustee or any dealer appointed in relation to any issue of Securities by the Bank that any recipient of this Registration Document, including any document incorporated by reference herein, should purchase any Securities issued by the Bank. Each investor contemplating subscribing for or purchasing Securities issued by the Bank should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank. No part of this Registration Document, including any documents incorporated by reference herein, constitutes an offer or invitation by or on behalf of the Bank, any trustee or any dealer appointed in relation to any issue of Securities by the Bank or any of them to any person to subscribe for or to purchase any of the Securities issued by the Bank.

*Neither the delivery of this Registration Document or any documents incorporated by reference herein or any prospectus prepared by the Issuer ("**Prospectus**") or any final terms nor the offering, sale or delivery of any Securities shall, in any circumstances, create any implication that there has been no change in the affairs of the Bank since the date hereof, or that the information contained in this Registration Document is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. Any dealer or trustee appointed in relation to any issue of Securities by the Bank expressly does not undertake to review the financial condition or affairs of the Bank or its subsidiary undertakings during the life of such Securities.*

The distribution of this Registration Document, including any document incorporated by reference herein, and the offer or sale of Securities issued by the Bank may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any document incorporated by reference herein or any Securities issued by the Bank come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Securities issued by the Bank and on the distribution of this Registration Document, including any document incorporated by reference herein, see the applicable description of arrangements relating to subscription and sale of the relevant Securities in the relevant Prospectus.

In this Registration Document and in relation to any Securities issued by the Bank, references to the "relevant dealers" are to whichever of the dealers enters into an agreement for the issue of such Securities issued by the Bank as described in the applicable description of arrangements relating to subscription and sale of the relevant Securities in the relevant Prospectus and references to the "relevant Final Terms" are to the Final Terms relating to such Securities.

HSBC BANK PLC AND ITS SUBSIDIARY UNDERTAKINGS

History and Development of the Bank

HSBC Bank plc is a public limited company registered in England and Wales under registration number 14259. The liability of its members is limited. It has its registered office and head office at 8 Canada Square, London, E14 5HQ, United Kingdom and the telephone contact number is +44 20 7991 8888. The Bank was constituted by Deed of Settlement on 15 August 1836 and in 1873 registered under the Companies Act 1862 as an unlimited company. It was re-registered as a company limited by shares under the Companies Acts 1862 to 1879 on 1 July 1880. On 27 November 1923, the Bank adopted the name of Midland Bank Limited which it held until 1 February 1982 when the Bank was re-registered under the Companies Acts 1948 to 1980 as a public limited company and changed its name to Midland Bank plc. During the year ended 31 December 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings and by special resolution on 27 September 1999 changed its name from Midland Bank plc to HSBC Bank plc. For the purposes of advertising, the Bank uses an abbreviated version of its name, that is, HSBC.

Legislation

The Bank is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, the Financial Services and Markets Act 2000, as amended ("**FSMA**"), for the purposes of which the Bank is an authorised person carrying on the business of financial services provision. In addition, as a public limited company, the Issuer is subject to the Companies Act.

Principal activities and markets

The Group is a UK-based group, which provides a comprehensive range of banking and related financial services.

The Bank divides its activities into four business segments: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets and Global Private Banking.

Retail Banking and Wealth Management ("**RBWM**") takes deposits and provides transactional banking services to enable customers to manage their day-to-day finances and save for the future. The Group selectively offers credit facilities to assist customers in their short-term or longer-term borrowing requirements, provides financial advisory, broking, insurance and investment services to customers to help customers manage and protect their financial future. The products are designed to meet the needs of specific customer segments, which may include a range of different service and delivery channels. Typically, products offered to customers include: (i) *liability-driven services*: deposits and account services; (ii) *asset-driven services*: credit and lending, both secured and unsecured; and (iii) *fee-driven and other services*: financial advisory, broking, life insurance manufacturing and asset management.

Commercial Banking is segmented into large corporates, mid-market companies and Business Banking. This allows the Group to provide an appropriate level of support to both companies with more sophisticated needs and small and medium-sized enterprises as they grow both domestically and internationally, and ensures a clear focus on internationally aspirant customers. The Group places particular emphasis on international connectivity to meet the needs of its business customers. The Bank aims to be recognised as the leading international trade and business bank by focusing on faster-growing markets, repositioning towards international business and enhancing collaboration across the HSBC Group.

Global Banking and Markets ("**GB&M**") provides tailored financial solutions to major government, corporate and institutional clients worldwide. Managed as a global business with regional oversight, GB&M operates a long-term relationship management approach to build a full understanding of clients' financial requirements. Sector-focused client service teams comprising relationship managers and product specialists develop financial solutions to meet individual client needs. In August 2013, GB&M was reshaped to focus more effectively its resources around clients, to enhance relationships and to better capture growth opportunities creating greater value for clients and the Group.

Global Private Banking ("**GPB**") provides investment management and trustee solutions to high net worth individuals and their families in the Group's priority markets. GPB aims to meet the needs of its clients by providing excellent customer service and offering a comprehensive suite of solutions. Drawing on the strength of the HSBC Group and the most suitable products from the marketplace, GPB works with its clients to provide solutions to grow, manage and preserve wealth for today and for the future.

As at 31 December 2013, the Bank had 1,132 branches in the United Kingdom, and 13 branches in the Isle of Man and the Channel Islands. Outside the United Kingdom, the Bank has branches in Belgium, the Czech Republic, France, Greece, the Hong Kong Special Administrative Region, Ireland, Israel, Italy, Luxembourg, Netherlands, South Africa, Spain and Switzerland. Its subsidiaries have banks, branches and offices in Armenia, the Channel Islands, France, Germany, Greece, the Hong Kong Special Administrative Region, Ireland, Kazakhstan, Luxembourg, Malta, Poland, Russia, South Africa, Switzerland and Turkey.

As at 31 December 2013, the Bank's principal subsidiary undertakings and their country of incorporation or registration were:

Name of Subsidiary	*Location*
HSBC France (99.99% owned)	France
HSBC Asset Finance (UK) Limited	England
HSBC Bank A.S.	Turkey
HSBC Bank International Limited	Jersey
HSBC Bank Malta p.l.c. (70.03% owned)	Malta
HSBC Invoice Finance (UK) Limited	England
HSBC Life (UK) Limited	England
HSBC Private Bank (UK) Limited	England
HSBC Private Bank (C.I.) Limited	Guernsey
HSBC Trinkaus & Burkhardt AG (80.62% owned)	Germany
HSBC Trust Company (UK) Limited	England
Marks and Spencer Retail Financial Services Holdings Limited	England

Organisational Structure

HSBC Bank plc is the HSBC Group's principal operating subsidiary undertaking in Europe. The Bank is a wholly and directly owned subsidiary of HSBC Holdings, the UK holding company of the HSBC Group.

The whole of the issued ordinary and preference share capital of the Bank is beneficially owned by HSBC Holdings.

The HSBC Group is one of the largest banking and financial services organisations in the world. Its international network covers 75 countries and territories in six geographical regions: Europe; Hong Kong;

Rest of Asia-Pacific; Middle East and North Africa; North America; and Latin America. Its total assets as at 31 December 2013 were U.S. $2,671 billion.

Trend Information

The Bank expects global GDP growth to accelerate modestly in 2014. This improvement reflects a shift from contraction to expansion in the eurozone, a rise in growth in the US and the UK as well as rising emerging markets growth.

The Bank expects UK GDP to rise by 2.6 per cent in 2014 driven by ongoing thawing in credit conditions, rising investment and household consumption supported by loose monetary policy and a recovering housing market.

Recent developments in the eurozone economy signal a recovery, although its strength will likely be only gradual and dependent on global trade as there remain significant headwinds to domestic demand. The provision of credit is likely to remain weak which will in turn hinder investment and consumption growth. The Bank expects the eurozone GDP to grow by only 0.8 per cent in 2014.

Ratings

The Bank has been assigned the following long-term credit ratings:

- AA- by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). This means that S&P is of the opinion that the Bank has a very strong capacity to meet its financial commitments;
- Aa3 by Moody's Investors Service Limited ("**Moody's**"). This means that Moody's is of the opinion that the Bank is judged to be of high quality and is subject to very low credit risk; and
- AA- by Fitch Ratings Limited ("**Fitch**"). This means that Fitch is of the opinion that the Bank poses expectations of very low credit risk, indicates very strong capacity for payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events.

The Bank has also been assigned the following short-term credit ratings:

- A-1+ by S&P. This means that S&P is of the opinion that the Bank's capacity to meet its financial commitments on its short-term obligations is strong.
- P-1 by Moody's. This means that Moody's is of the opinion that the Bank has a superior ability to repay short-term debt obligations; and
- F1+ by Fitch. This means that Fitch is of the opinion that the Bank has the strongest intrinsic capacity for timely payment of short-term financial commitments.

Each of S&P, Moody's and Fitch are established in the European Union and registered under Regulation (EU) No. 1060/2009 (as amended).

Management

Directors

The directors of the Bank, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in the Bank and their principal activities (if any) outside the Bank where these are significant with respect to the Bank are as follows:

Name	**Nationality**	**Function**	**Other principal activities outside of the Bank**
J Symonds**	British	Chairman	Independent non-executive Director, HSBC

Name	Nationality	Function	Other principal activities outside of the Bank
			Holdings plc Independent Executive Director, Genomics England Limited
A M Keir	British	Chief Executive	Group Managing Director, HSBC Holdings plc
P Antika*	Turkish	Director	Consultant, Antika Partners
S Assaf	French	Director	Group Managing Director, HSBC Holdings plc
S N Cooper	British	Director	Group Managing Director, HSBC Holdings plc
Dame Denise Holt**	British	Director	Director and Chairman of Marks and Spencer Financial Services Group
S W Leathes**	British	Director	Member of the Supervisory Board and Risk Committee of HSBC Trinkaus & Burkhardt AG
Dame Mary Marsh**	British	Director	Part-time executive of the Clore Social Leadership Programme, Chair of INSSO (UK) Ltd and Governor of London Business School.
R E S Martin**	British	Director	General Counsel and Company Secretary, Vodafone Group plc
T B Moulonguet**	French	Director	Director and Chairman of the Audit and Risk Committee, HSBC France, a director of Fitch Rating Group Inc., Fimalac, Groupe Lucien Barrière and Valéo.
A P Simoes	Portuguese	Deputy Chief Executive Head of UK Bank Head of Retail Banking and Wealth Management, Europe Director	Group General Manager, HSBC Holdings plc
A M Thomson**	British	Director	Chairman of Hays plc, Bodycote plc and Polypipe Group plc. Non- executive director and Chairman of the Audit Committee of Alstom SA
J F Trueman**	British	Deputy Chairman	Non-executive Director and Chairman of HSBC Asset Management Limited and HSBC Private Bank (UK) Limited.

* Non-executive Director

** Independent non-executive Director

Management Committees

Executive Committee

The Bank's Executive Committee, whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, meets regularly and operates as a management committee under the direct authority of the board of directors of the Bank. The members of the Executive Committee and their functions in the Bank and their principal activities (if any) outside the Bank where these are significant with respect to the Bank are as follows:

Name	**Function**	**Other principal activities outside the Bank**
A M Keir	Chief Executive Chairman of the Executive Committee	Group Managing Director, HSBC Holdings plc
J Beunardeau	Chief Executive, HSBC France	Group General Manager, HSBC Holdings plc
A Beane	Chief of Staff	-
A Berry	Head of Communications	-
C Clark	Global Head of Marketing	Group General Manager, HSBC Holdings plc
C Couldrey	Head of Regulatory Compliance	-
C Davies	Chief Executive, International	-
R J H Gray	General Counsel	Group General Manager, HSBC Holdings plc
A Halton	Head of Financial Crime Compliance	-
N Hinshelwood	Chief Operating Officer, UK	Group General Manager, HSBC Holdings plc
T Kapilashramii	Head of Human Resources	-
M Lobner	Head of Strategy and Planning, CMB	-
F Morra	Regional Head of GPB Europe	-
R Phillips	Global Head of Banking	Group General Manager, HSBC Holdings plc
P J Reid	Chief Financial Officer	-
T Reid	Regional Co-Head CMB Europe	-
T de Roux	Head of Global Markets, Europe	-
A Schmitz	Chief Executive, HSBC Trinkhaus & Burkhardt AG	-
A P Simoes	Deputy Chief Executive, Head of UK Bank and Head of Retail Banking and Wealth Management, Europe	Group General Manager, HSBC Holdings plc
M Smith	Chief Risk Officer	Group General Manager, HSBC Holdings plc

Name	Function	Other principal activities outside the Bank
M Spurling	Chief Executive Officer, HSBC Bank A.S., Turkey	Group General Manager, HSBC Holdings plc

There are no existing or potential conflicts of interest between any duties owed to the Bank by its directors and its Executive Committee (each as described above) and the private interests and/or external duties owed by these individuals.

Major Shareholders

The whole of the issued ordinary and preference share capital of the Bank is beneficially owned by HSBC Holdings.

Dividends

HSBC Bank plc paid the following dividends during the previous five years:

Year	Aggregate Dividends £(m)	Comments
2009	1,067	Including payments of (i) £39,700,304 under the Non-cumulative Third Dollar Preference Shares and (ii) £86,657,123 under issues of Perpetual Subordinated Debt which in 2009 for accounting purposes both qualified as equity.
2010	1,868	Including payments of (i) £41,377,680 under the Non-cumulative Third Dollar Preference Shares and (ii) £76,972,192 under issues of Perpetual Subordinated Debt which in 2010 for accounting purposes both qualified as equity.
2011	1,815	Including payments of (i) £41,066,959 under the Non-cumulative Third Dollar Preference Shares and (ii) £58,774,274 under issues of Perpetual Subordinated Debt which in 2011 for accounting purposes both qualified as equity.
2012	2,816	Including payments of £41,002,811 under the Non-cumulative Third Dollar Preference Shares.
2013	2,011	Including payments of £40,702,747 under the Non-cumulative Third Dollar Preference Shares.

On 24 February 2014, the Bank paid a cash dividend of £630 million to HSBC Holdings plc.

GENERAL INFORMATION

1. The Bank prepares its consolidated financial statements in accordance with International Financial Reporting Standards.

2. There has been no significant change in the financial position of the Group nor any material adverse change in the prospects of the Bank since 31 December 2013.

3. Save as disclosed in Note 42 "*Legal proceedings and regulatory matters*" on pages 207 to 210 of the 2013 Annual Report and Accounts (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) during the 12 month period before the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Bank and/or the Group.

4. KPMG Audit Plc Chartered Accountants of 15 Canada Square, London E14 5GL, United Kingdom has audited without qualification the Financial Statements contained in the Annual Report and Accounts of the Bank for the financial years ended 31 December 2012 and 2013.

5. The date of the articles of association of the Bank is 20 October 2010.

6. The Bank does not have a specific purpose or objects clause in its articles of association. The Bank is an authorised institution under the FSMA and provides a comprehensive range of banking and related financial services.

7. For so long as the Bank may issue Securities with respect to which this Registration Document forms part of a Prospectus prepared by the Bank relating to such Securities, the following documents may be inspected during normal business hours at the registered office of the Bank:

    (a) the articles of association of the Bank;

    (b) the 2013 Annual Report and Accounts and the Additional Information; and

    (c) the 2012 Annual Report and Accounts.

8. The Bank will, at its registered office and on its website www.hsbc.com (follow links to 'Investor relations', 'Fixed income securities' and 'Issuance programmes'), and at the specified offices of the Paying Agents, make available for inspection during the normal office hours, free of charge, upon oral or written request, a copy of this Registration Document including any document incorporated by reference herein. Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent.

9. Generally, any notice, document or information to be sent or supplied by the Bank may be sent or supplied in accordance with the Companies Act (whether authorised or required to be sent or supplied by, the Companies Act or otherwise) in hard copy form or in electronic form. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Bank is unable effectively to convene a general meeting by notices sent through the post, subject to the Companies Act, a general meeting may be convened by a notice advertised in at least one United Kingdom national newspaper. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the advertisement first appears. In any such case the Bank shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

HEAD AND REGISTERED OFFICE OF THE ISSUER

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

PAYING AGENTS

HSBC Bank plc
8 Canada Square
London
E14 5HQ
United Kingdom

HSBC Bank USA, National Association
Corporate Trust & Loan Agency
452 Fifth Avenue
New York
New York 10018, U.S.A.

AUDITORS TO THE ISSUER

KPMG Audit Plc
15 Canada Square
London
E14 5GL
United Kingdom