**REGISTRATION DOCUMENT DATED 22 JUNE 2021**

# HSBC Bank plc

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

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 Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). It has been prepared in connection with debt or derivative securities ("**Securities**") of HSBC Bank plc (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 Central Bank of Ireland (the "**Central Bank**") which is the Republic of Ireland competent authority for the purposes of Prospectus Regulation:

- a securities note, which contains information on the Securities; and
- a summary (if required), prepared in accordance with Article 7 of the Prospectus Regulation, 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 Regulation.

This Registration Document has been prepared as a registration document issued in compliance with the Prospectus Regulation for the purpose of providing information with regard to the Issuer of debt or derivative securities during the period of twelve months after the date hereof. This Registration Document has been approved by the Central Bank, as competent authority under the Prospectus Regulation. The Central Bank only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

This Registration Document is valid for a period of twelve months from the date of approval.

This Registration Document includes details of the long-term and short-term credit ratings assigned to the Issuer by S&P Global Ratings UK Limited ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**"). Each of S&P, Moody's and Fitch is not established in the European Union but is established in the United Kingdom and registered under Regulation (EU) No. 1060/2009 on credit ratings as it forms part of domestic law by virtue of the EUWA (the "**UK CRA Regulation**"). Each of S&P, Moody's and Fitch appears on the latest update of the list of registered credit rating agencies (as of the date of this Registration Document) on the UK Financial Conduct Authority's Financial Services Register. The ratings each of S&P, Moody's and Fitch have given to the Issuer are endorsed by S&P Global Ratings Europe Limited, Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, each of which is established in the European Union and registered under Regulation (EU) No 1060/2009 on credit rating agencies.

**Information on how to use this Registration Document is set out on page i.**

Certain risk factors relating to the Issuer are set out in "Risk Factors" which commences on page 1.

## HOW TO USE THIS REGISTRATION DOCUMENT

*All references in this section of this Registration Document to "**Issuer**" refer to HSBC Bank plc, all references to "**Group**" refer to HSBC Bank plc and its subsidiary undertakings, and all references to "**HSBC Group**" refer to HSBC Holdings plc and its subsidiary undertakings.*

This Registration Document provides information about HSBC Bank plc (the "**Issuer**") and incorporates by reference the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2020 (the "**2020 Annual Report and Accounts**") and the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2019 (the "**2019 Annual Report and Accounts**"). The 2020 Annual Report and Accounts include the latest publicly available financial information relating to the Issuer and its subsidiary undertakings (the "**Group**") and other information in relation to the Group, which is relevant to investors. This Registration Document (including such information incorporated by reference) contains information necessary for investors to make an informed assessment of the Issuer. Investors must read this Registration Document together with the 2020 Annual Report and Accounts and the 2019 Annual Report and Accounts. Where further information is provided in the 2020 Annual Report and Accounts or the 2019 Annual Report and Accounts on matters covered by this Registration Document, this is highlighted in this Registration Document.

This Registration Document is split up into a number of sections, each of which is briefly described below.

**Risk Factors** provides details of the principal risks relating to the Issuer that may affect the Issuer's ability to fulfil its obligation under its Securities.

**Documents Incorporated by Reference** provides details of the documents incorporated by reference which form part of this Registration Document and which are publicly available.

**Important Notices** sets out important information about the Issuer's responsibility for this Registration Document and provides information about its authorised use.

**The Issuer and its Subsidiary Undertakings** provides information about the Issuer and its subsidiary undertakings, including on its history and development, the legislation under which it operates, its principal activities and markets, its organisational structure, trends affecting the Issuer, its credit ratings and its management.

**General Information** provides additional, general disclosure in relation to the Issuer.

## CONTENTS

## RISK FACTORS

*All references in this section of this Registration Document to "**Issuer**" refer to HSBC Bank plc, all references to the "**Group**" refer to HSBC Bank plc and its subsidiary undertakings, and all references to the "**HSBC Group**" refer to HSBC Holdings plc ("**HSBC Holdings**") and its subsidiary undertakings.*

*Prospective investors in any debt or derivative securities ("**Securities**") issued by the Issuer should carefully consider risk factors associated with the business of the Group 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 Issuer considers to be the principal risk factors relating to the Group that may affect the Issuer's ability to fulfil its obligations under its Securities.*

*Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group 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 Group and, if any such risk should occur, the price of any Securities issued by the Issuer may decline and investors could lose all or part of their investment.*

### Risks Relating to the Group

A description of the risk factors relating to the Group that may affect the ability of the Issuer to fulfil its obligations to investors in relation to any of its Securities is set out below.

### Macroeconomic and geopolitical risk

***Risks relating to the impact of Covid-19***

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

Government restrictions imposed around the world to limit the spread of Covid-19 resulted in a sharp contraction in global economic activity during 2020. At the same time governments also took steps designed to soften the extent of the damage to investment, trade and labour markets. Economic activity recovered unevenly in the second half of 2020 as some jurisdictions imposed renewed restrictions in the fourth quarter in response to a resurgence in Covid-19 cases. The development of Covid-19 vaccines has raised hopes of widespread immunisation being achieved across developed countries by the end of 2021 and government restrictions being lifted. However, there is significant divergence in the speed at which vaccines have been deployed. While some countries have managed to offer vaccines to a large proportion of their respective populations quickly, others have lagged. There remains uncertainty regarding the efficacy and side effects of the vaccines over various time horizons. Tensions have been evident and may continue to persist as countries compete for access to the array of vaccines either under development, pending approval or already approved. As a result of the Covid-19 outbreak business continuity responses were implemented and the Group continues to monitor the situation, in particular, in those countries and regions where the level of Covid-19 infections is most prevalent.

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

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

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

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

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

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

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

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

The significant changes in economic and market drivers, customer behaviours and government actions caused by Covid-19 have also impacted the performance of financial models. These include retail and wholesale credit models such as IFRS loss models, as well as capital models, traded risk models and models used in the asset/ liability management process. While the Group continues to review and redevelop relevant financial models, there remains considerable uncertainty around the magnitude of change required for models used by the Group. The effectiveness of financial models that are redeveloped will depend in large part on the depth and length of the economic downturn currently faced by the economies of the major markets in which the Group operates (see "*The Group could incur losses or be required to hold additional capital as a result of model limitations or failure*").

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

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

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

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

***Current economic and market conditions may adversely affect the Group's results***

The Group's earnings are affected by global and local economic and market conditions.

Uncertain and at times volatile economic conditions can create a challenging operating environment for financial services companies such as the Issuer. In particular, the Group has faced and may continue to face the following challenges to its operations and operating model in connection with these factors:

- the Covid-19 outbreak and its impact on global economies could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as the Issuer (see "*Risks relating to the impact of Covid-19*");
- the demand for borrowing from creditworthy customers may diminish during periods of recession or where economic activity slows or remains subdued;
- low or negative interest rates could impact the Group's profitability due to reductions in the Group's net interest income. This deterioration in profits might affect financial stability or cause credit supply to subsequently tighten;
- the Group's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption; and
- market developments may depress consumer and business confidence beyond expected levels. If economic growth is subdued, for example, asset prices and payment patterns may be adversely affected, leading to greater than expected increases in the Group's delinquencies, default rates and ECLs. However, if growth is too rapid, new asset valuation bubbles could appear, particularly in the real estate sector, with potentially negative consequences for financial institutions, such as the Issuer.

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

***The Group is subject to political, social and other risks in the countries in which it operates***

The Group operates through an international network of subsidiaries and affiliates. The Group's operations are subject to potentially unfavourable political, social, environmental and economic developments in such jurisdictions, which may include:

- coups, civil wars or acts of terrorism;

- political and/or social instability;
- geopolitical tensions;
- climate change, acts of God, including epidemics and pandemics (such as the Covid-19 outbreak, further details on which can be found in "*Risks relating to the impact of Covid-19*") and natural disasters (such as floods and hurricanes); and
- infrastructure issues, such as transportation or power failures.

Each of the above could impact credit RWAs, and the financial losses caused by any of these risk events or developments could impair asset values and the creditworthiness of customers.

These risk events or developments may also give rise to disruption to the Group's services and some may result in physical damage to its operations and/or risks to the safety of its personnel and customers.

As geopolitical tensions rise, the compliance by multinational corporations with their legal or regulatory obligations in one jurisdiction may be seen as supporting the law or policy objectives of that jurisdiction over another, creating additional reputational and political risks for the Group.

While it is the Group's policy to comply with all applicable laws and regulations of all jurisdictions in which it operates, geopolitical risks and tensions, and potential ambiguities in the Group's compliance obligations, will continue to present challenges and risks for the Group and could have a material adverse impact on the Group's business, financial condition, results of operations, prospects and strategy, as well as on the Group's customers.

***The Group is likely to be affected by global geopolitical trends, including the risk of government intervention***

While economic globalisation appears to remain deeply embedded in the international system, it is increasingly challenged by nationalism and protectionism, and international institutions may be less capable of arresting this trend. In Europe, for example, there remains an uncertain economic and political outlook, particularly in light of the UK's exit from the EU and the end of the transition period (see "*The UK's trading relationship with the EU, following its withdrawal from the European Union, may adversely affect the Group's operating model and financial results*"). A dispersion of global economic power from the United States of America ("**US**") and Europe towards China and emerging markets appears to be occurring, providing a backdrop for greater US-China competition. Furthermore, sanctions targeting the Russian government, institutions and individuals have had (and are continuing to have) an adverse effect on the Russian economy, and further sanctions may be possible.

A rise in nationalism and protectionism, including trade barriers, may be driven by populist sentiment and structural challenges facing developed and developing economies. Similarly, if capital flows are disrupted, some emerging markets may impose protectionist measures that could affect financial institutions and their clients, and other emerging, as well as developed, markets, may be tempted to follow suit. This rise could contribute to weaker global trade, potentially affecting the Group's traditional lines of business.

The Group's geographic coverage will make it and its customers susceptible to protectionist measures taken by national governments and authorities, including imposition of trade tariffs, restrictions on market access, restrictions on the ability to transact on a cross-border basis, expropriation, restrictions on international ownership, interest rate caps, limits on dividend flows and increases in taxation.

There may be uncertainty as to the conflicting nature of such measures, their duration, the potential for escalation, and their potential impact on global economies. Whether these emerging trends are cyclical or permanent is hard to determine, and their causes are likely to be difficult to address. The occurrence of any of these events or circumstances could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The UK's trading relationship with the EU, following its withdrawal from the European Union, may adversely affect the Group's operating model and financial results***

The UK left the EU on 31 January 2020 and entered a transition period until 31 December 2020. During the transition period, the UK continued to be bound by EU laws and regulations. A Trade and Cooperation Agreement between the EU and the UK was agreed on 24 December 2020 and ratified by the UK on 30 December 2020. The agreement mainly focused on goods and services but also covered a wide range of other areas, including competition, state aid, tax, fishery, transport, data and security. However, it included limited elements on financial services: in this respect, it includes a joint declaration of cooperation based on which, both parties have concluded negotiations at a technical level on a memorandum of understanding establishing the framework for cooperation in relation to financial services. Once formally approved, the memorandum of understanding is expected to create the framework for voluntary regulatory cooperation in financial services between the UK and EU through the establishment of a Joint UK-EU Financial Regulatory Forum, which will provide a platform within which both parties will be able to discuss financial services-related issues including future equivalence determinations. The cooperation between the EU and UK under the new framework will take some time to be fully implemented, and this could lead to some uncertainty and have negative economic impacts for both the UK and the EU.

Meanwhile the financial passporting arrangement that existed prior to, and during, the transition period has expired. As a result financial institutions in the UK such as the Issuer, no longer have EU regulatory permissions to continue servicing clients in regulated products in the European Economic Area (EEA) subject to certain exceptions.

In its programme to manage the impact of the UK's withdrawal from the EU, the Group had assumed a scenario whereby the UK would exit the EU without the existing financial passporting rights or the establishment of a regulatory equivalence framework that supports cross-border business. This scenario impacts (i) the Group's legal entities in the UK and the EU, (ii) the Group's product offering, (iii) the Group's clients and (iv) the Group's employees.

Notwithstanding the progress made in ensuring the Group was prepared for the end of the transition period, there remain execution risks, many of them linked to the uncertain outcome of ongoing negotiations relating to financial services and any potential financial equivalence determinations that may be agreed between the EU and the UK. The outcome of these negotiations could potentially trigger tight timelines to implement further changes to the Group's UK and European operating models. If any of these risks materialise, the Group's clients and employees are likely to be affected. The exact impact on the Group's clients will depend on their individual circumstances and, in a worst case scenario, could include disruption to the provision of products and services, and this could in turn increase operational complexity and/or costs for the Group.

Over the medium to long term, the UK's exit from the EU and the operation of the new Trade and Cooperation Agreement (and any complexities that may result there from), may impact markets and increase economic risk, particularly in the UK, which could adversely impact the Group's profitability and prospects for growth in this market.

In addition, the UK's future trading relationship with the EU, and the rest of the world will likely take a number of years to fully resolve. This may result in a prolonged period of uncertainty, unstable economic conditions and market volatility, including currency fluctuations.

***The Group operates in markets that are highly competitive***

The Group competes with other financial institutions in a highly competitive industry that continues to undergo significant change as a result of financial regulatory reform, including the Competition and Markets Authority's directions on Open Banking in the UK, as well as increased public scrutiny stemming from the financial crisis and a continued challenging macro-economic environment.

The Group targets internationally mobile clients who need sophisticated global solutions and generally competes on the basis of the quality of its customer service, the wide variety of products and services that the Group can offer its customers, the ability of those products and services to satisfy its customers' needs, the extensive distribution channels available for its customers, its innovation and its reputation. Continued and increased competition in any one or all of these areas may negatively affect the Group's market share and/or cause it to increase its capital investment in its businesses in order to remain competitive. Additionally, the Group's products and services may not be accepted by its targeted clients.

In many markets, there is increased competitive pressure to provide products and services at current or lower prices.

Consequently, the Group's ability to reposition or reprice its products and services from time to time may be limited, and could be influenced significantly by the actions of its competitors who may or may not charge similar fees for their products and services. Any changes in the types of products and services that the Group offers its customers, and/or the pricing for those products and services, could result in a loss of customers and market share.

Further, new entrants to the market or new technologies could require the Group to spend more to modify or adapt its products to attract and retain customers. The Group may not respond effectively to these competitive threats from existing and new competitors, and may be forced to increase its investment in its business to modify or adapt its existing products and services or develop new products and services to respond to its customers' needs.

Any of these factors could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***The Group is subject to financial and non-financial risks associated with climate change***

Climate change brings risks to the Group's business, its customers and wider society. Climate change could impact the Group through both transition and physical channels. Transition risk can arise from the move to a low-carbon economy, such as through policy, regulatory and technological changes. Physical risk can arise through increasing severity and/or frequency of severe weather or other climatic events, such as rising sea levels and flooding. The focus on climate risks increased over 2020 primarily as a result of the pace and volume of policy and regulatory changes, which impacts the Group both directly and indirectly through its customers.

The Group currently expects that the following are the most likely ways in which climate risk may materialise for the Group:

- transition and physical risk may impact the Group's corporate customers, for example if regulatory, legislative or technological developments impact customers business models resulting in financial difficulty for customers and/or stranded assets;
- physical risk may impact the Group's operations, for example if flooding or extreme weather events impacted its critical operations;
- regulatory compliance risk may result from the increasing pace, breadth and depth of regulatory expectations requiring implementation in short timeframes across multiple jurisdictions;
- conduct risks could develop associated with the increasing demand for 'green' products where there are differing and developing standards or taxonomies;
- reputational risks may result from the Group's decisions on how it supports its customers in high-emitting sectors;
- residential real estate may be affected by changes to the climate and extreme weather events which could impact both property values and the ability of borrowers to afford their mortgage payments.

These events have potential to cause both idiosyncratic and systemic risks, resulting in potential financial and non-financial impacts for the Group which could, in turn, have a material adverse effect on its business, financial condition, results of operations, prospects and strategy.

Financial impacts could materialise, if, for example, transition and physical risks impact the ability of borrowers to repay their loans. This could in turn, result in higher risk weighted assets, greater impairment losses and/or increased capital requirements over the long term.

Non-financial impacts could materialise, for example, through inability to adhere to emerging regulatory requirements. Additionally, the Group's own assets or operations could be impacted by extreme weather or chronic changes in weather patterns, or as a result of business decisions to achieve its climate ambition.

In October 2020, the HSBC Group announced its ambition to become net zero in all direct and indirect emissions, known as scope 1, 2 and 3 emissions. The HSBC Group aims to deliver this by achieving net zero in its operations and its supply chain by 2030 or sooner. The HSBC Group also plans to align its financed emissions – the carbon emissions of its portfolio of customers – to the Paris Agreement goal of net zero by 2050 or sooner. In order to reach these ambitions and targets or any other climate-related ambitions or targets the HSBC Group may set, the Group will need to incorporate climate considerations into its business strategy; the products and services it provides to customers; and its financial and non-financial risk management processes (including processes to measure and manage the various financial and non-financial risks the Group faces as a result of climate change). The Group also needs to ensure that its strategy and business model adapt to changing regulatory requirements and market expectations. Achieving these climate-related ambitions and targets will also depend on a number of factors outside of the Group's control, including availability of data to measure and assess the climate impact of its customers; advancements of low carbon technologies; and supportive public policies in the markets where it operates. If these external factors and other changes do not occur, or do not occur on a timely basis, the HSBC Group may fail to achieve its climate-related ambitions and targets and this could have an adverse impact on the Group's business, financial condition, results of operations and prospects.

***Changes in foreign currency exchange rates may affect the Group's results***

The Group prepares its accounts in pounds sterling. However, a substantial portion of the Group's assets, liabilities, assets under management, revenues and expenses are denominated in other currencies (primarily, euro and US dollars). Changes in foreign exchange rates have an effect on the Group's accounting standards, reported income, cash flows and shareholders' equity. Unfavourable changes in foreign exchange rates could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Market fluctuations may reduce the Group's income or the value of its portfolios***

The Group'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 Group's customers act in a manner inconsistent with its business, pricing and hedging assumptions.

Since February 2020, market volatility has been high, particularly as a result of the ongoing Covid-19 pandemic, and ongoing market movements could significantly affect the Group in a number of key areas. For example, 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 and yield curves affect the interest rate spread realised between lending and borrowing costs. A change in the interest rate environment could affect prepayment activity and this could change the weighted average lives of the Group's interest-earning assets, which could in turn have a material adverse effect on the Group. The potential for future volatility and margin changes remains. See "*Risks relating to the impact of Covid-19*" above regarding the impact of Covid-19 on the interest rate environment.

Competitive pressures on fixed rates or product terms in existing customer products sometimes restrict the Group's ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

The Group's defined benefit pension plans are exposed to market risk from their assets and liabilities. The liability discount rate provides exposure to interest rate risk and credit spread risk which are only partially offset by fixed interest assets and swaps. The assets also provide exposure to fluctuations in the market value of equities.

The Group's insurance businesses are exposed to the risk that market fluctuations may cause mismatches to occur between product liabilities and the investment assets that back them. Market risks can affect the Group'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, 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 could bear some of the cost of such guarantees and options. The performance of the investment markets could thus have a direct effect upon the value embedded in the insurance and investment contracts and the Group's operating results, financial condition and prospects.

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

***Liquidity, or ready access to funds, is essential to the Group's businesses***

The Group's ability to borrow on a secured or unsecured basis, and the cost of doing so, 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 Group or the banking sector, including the Group's perceived or actual creditworthiness.

Current accounts and savings deposits payable on demand or at short notice form part of the Group's funding, and the Group places considerable importance on maintaining their stability. For deposits, stability depends upon preserving investor confidence in the Group's capital strength and liquidity, and on comparable and transparent pricing.

The Group also accesses wholesale markets in order to provide funding for entities that do not accept deposits, 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 material adverse effect on the Group's liquidity.

Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase the Group's funding costs or challenge the Group's ability to raise funds to support or expand the Group's businesses.

If the Group is unable to raise sufficient funds through deposits and/or in the capital markets, the Group's liquidity position could be adversely affected, and the Group might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet the Group's obligations under committed financing facilities and insurance contracts, to comply with regulatory funding requirements, to undertake certain capital and/or debt management activities or to fund new loans, investments and businesses. The Group may need to liquidate unencumbered assets to meet its liabilities, including disposals of assets not previously identified for disposal, to reduce its funding commitments. In a time of reduced liquidity, the Group may be unable to sell some of its assets, or may be unable to maintain the run-down and sale of certain legacy portfolios, or the Group may need to sell assets at reduced prices, which in any such case could materially adversely affect the Group's business, financial condition, results of operations and prospects.

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

***The Group is subject to numerous legislative or regulatory requirements and developments and changes in the policy of regulators or governments and the Group may fail to comply with all applicable regulations, particularly any changes thereto***

The Group's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in the UK, the EU and the other markets in which the Group operates. This is particularly the case given the expected long term economic impact of the Covid-19 outbreak and the consequent high volume and wide-ranging regulatory interventions. Additionally, many of these changes have an effect beyond the country in which they are enacted, as either regulators deliberately enact regulation with extra-territorial impact or the Group's operations mean that the Group is obliged to give effect to 'local' laws and regulations on a wider basis.

In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. Measures include enhanced capital, liquidity and funding requirements, the separation or prohibition of certain activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes, changes in compensation practices and more detailed requirements on how business is conducted. The governments and regulators in the UK, the EU or elsewhere may intervene further in relation to areas of industry risk already identified, or in new areas, which could adversely affect the Group.

Specific areas where regulatory changes could have a material effect on the Group's business, financial condition, results of operations, prospects, capital position, and reputation as well as on the market value of the Securities include, but are not limited to:

- the regulatory response to the Covid-19 outbreak, and its implications for banks credit risk management and provisioning processes, capital adequacy and liquidity, and a renewed focus on vulnerable customers including the treatment of customers during and following the removal or reduction of support measures such as payment holidays;

- general changes in government, central bank, regulatory or competition policy, or changes in regulatory regimes that may influence investor decisions in particular markets in which the Group operates. For example, the regulatory structure in the UK comprising the Prudential Regulation

Authority ("**PRA**"), the Financial Conduct Authority ("**FCA**") and the Financial Policy Committee ("**FPC**") and the granting to the European Central Bank of supervisory powers, may affect the Group and its activities. In particular, the FPC has the ability to direct that UK banks be required 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 structural separation of certain banking and other activities proposed or enacted in a number of jurisdictions, including legislation in France and Germany which provide for the ring-fencing of certain activities, including trading activities, and the prohibition of certain proprietary trading activities;

- the potential for developments in, and the consequences for breaches of, the Financial Services (Banking Reform) Act 2013, which requires (amongst other matters) the legal separation of core deposits from wholesale and investment banking activities (commonly referred to as ring-fencing). In particular, in order to comply with the ongoing requirements of the UK ring-fencing regime, the Group must ensure that its operations and infrastructure comply with the shared services, independence and resolvability requirements set out in the UK ring-fencing legislation and rules, including in areas such as information technology infrastructure, human resources and critical service providers, which may involve associated operational risk and may result in increased costs and higher risk of breach of rules and regulations. Arrangements between HSBC UK and the Group also need to meet these requirements and the requirement that all such transactions take place on an arm's length basis. The duplication of certain infrastructure or functions between HSBC UK and the Group that are required to comply with the UK ring-fencing legislation and rules, and inefficiencies resulting therefrom, have in turn resulted in additional costs and/or changes to the Group's business and operations;

- requirements flowing from arrangements for the resolution strategy of the HSBC Group, the Group and its individual operating entities that may have different effects in different countries;

- the implementation of extra-territorial laws, including initiatives to share tax information such as the Common Reporting Standard introduced by the Organisation for Economic Co-operation and Development;

- the abolition of certain interbank offered rate ("**Ibor**") reference rates across the world and the transition to new replacement rates (as discussed further under "*The Group may not manage risks associated with the replacement of benchmark indices effectively*");

- the UK's exit from the EU, and the transposition of EU financial services regulation into UK law, affecting the way the Group conducts its business;

- the treatment of 'third countries' under EU law with regard to their access to EU markets (as discussed under "*The UK's trading relationship with the EU, following its withdrawal from the European Union may adversely affect the Group's operating model and financial results*").

- the Basel Committee on Banking Supervision ("**Basel**") agreed the final form of the reforms to strengthen global capital and liquidity rules (the "**Basel III Reforms**") in December 2017. The package is scheduled to be implemented on 1 January 2023, with a five-year transitional provision for the output floor. This floor ensures that, at the end of the transitional period, banks' total RWAs will be no lower than 72.5 per cent. of those generated by the standardised approaches. The final standards will need to be transposed into the relevant local law before coming into effect. In June 2019, the EU enacted Regulation (EU) No. 2019/876 amending Regulation (EU) No. 575/2013 ("**CRR II**"). This implemented changes to the own funds regime and to the Financial Stability Board's requirements for total loss-absorbing capacity, known in the EU as the minimum requirements for own funds and eligible liabilities. It also included the first tranche of changes to the EU's legislation to reflect the Basel III Reforms, including the changes to market risk rules under the Fundamental Review of the Trading Book, revisions to the standardised approach for measuring counterparty risk, changes to the equity investments in funds rules, amendments to the large exposures rules, the new leverage ratio rules and the implementation of the net stable funding ratio. Further implementation of the final Basel III Reforms is expected to be addressed in future EU legislative proposals. Given that many of the CRR II changes do not enter into force until June 2021, these were not transposed into UK law on 31 December 2020 and therefore will be implemented separately in the UK. In February 2021, HM Treasury issued a consultation paper clarifying certain elements of the implementation of the UK's version of the CRR II including in relation to the equivalence regime for equity investments in funds. Consequently, the PRA issued its own consultation on the implementation of the CRR II, which covers all the key elements with the exception of the changes relating to the leverage ratio. The legislation and rules implementing CRR II standards are intended to come into effect on 1 January 2022. The PRA has confirmed that its proposed changes to the leverage ratio will be published once a review by the Financial Policy Committee and Prudential Regulation Committee has been completed in the summer of 2021. The remaining elements of the Basel III Reforms will be implemented separately in the UK; however, the PRA has yet to consult on these. There remains a significant degree of uncertainty on the impact of the Basel III Reforms due to the number of national discretions and the need for further supporting technical standards to be developed. The UK's implementation of the remaining elements of the Basel III Reforms is expected to be on 1 January 2023, consistent with Basel's timeline;

- the financial effects of climate change being incorporated within the global prudential framework, including the transition risks resulting from a shift to a low carbon economy;

- increasing regulatory expectations of firms around governance and risk management frameworks, particularly for management of climate change and other environmental, social and governance ("**ESG**") risks and enhanced ESG disclosure and reporting obligations;

- the implementation of more stringent capital, liquidity and funding requirements, including changes to internal ratings-based (IRB) modelling requirements and as the result of industry wide reviews e.g. structural foreign exchange risk;

- the increased focus by regulators and government authorities on the operational resilience capabilities of the wider financial services sector;

- a continuing interest in financial services activities by competition authorities at the UK and European level when enforcing laws against anticompetitive practices (in the UK, the FCA and the Payment Systems Regulator are competition law enforcers). This is also being accompanied by a rise in private damages litigation relating to alleged competition law infringements. Currently, much of this is brought in the UK (for example, ongoing litigation by UK retailers regarding consumer credit and debit card interchange fee levels under the Visa and MasterCard schemes), but in the future there is likely to be an increase in such litigation across Europe as a result of the EU Directive on Antitrust Damages Action;

- the increasing focus by regulators, international bodies, organisations and unions on how institutions conduct business, particularly with regard to the delivery of fair outcomes for customers, promoting effective competition in the interests of consumers and ensuring the orderly and transparent operation of global financial markets;

- restrictions on the structure of remuneration and increasing requirements to detail management accountability within the Group (for example, the requirements of the Senior Managers and Certification Regime in the UK and similar regimes elsewhere that are either in effect or under consideration/implementation);

- the implementation of any conduct measures as a result of regulators' increased focus on institutional culture, employee behaviour and whistleblowing, including measures resulting from ongoing thematic reviews into the workings of the retail, SME and wholesale banking sectors and the provision of financial advice to consumers;

- the focus globally on technology, underpinned by customer protection, including the use of artificial intelligence and digital assets (data, identity and disclosures), financial technology risks, operational resilience, virtual currencies (including central bank digital currencies and global stablecoin) and cybersecurity and the introduction of new and/or enhanced standards in this area (as discussed further under 'The Group remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology', and 'The Group's operations are highly dependent on the HSBC Group's information technology systems' and 'The Group's data management and data privacy controls must be sufficiently robust to support the increasing data volumes and evolving regulations');

- financial crime and market abuse standards and increasing expectations for control frameworks, to ensure firms are adapting to new threats such as those arising from the Covid-19 outbreak, and are protecting customers from cyber-enabled crime;
- changes in national or supra-national requirements regarding the ability to offshore or outsource the provision of services and resources or transfer material risk to financial services companies located in other countries, which impact the Group's ability to implement consistent and efficient operating models;
- the application and enforcement of anti-money laundering investigations and sanctions and economic sanctions, including those with extra-territorial effect and those arising from geopolitical tensions (see "*The Group is subject to political, social and other risks in the countries in which it operates*");
- the operational and business model implications of the introduction of negative interest rates;
- the increasing regulatory expectations and requirements relating to various aspects of operational resilience, including an increasing focus on the response of institutions to operational disruptions;
- the challenges for institutions arising from expanding and increasingly complex regulatory reporting obligations, including high supervisory expectations for data integrity and the governance around regulatory reporting; and
- continuing regulatory focus on the effectiveness of internal controls and risk management frameworks, as evidenced in regulatory fines imposed against other financial institutions.

The Group continues to strengthen its processes and controls over regulatory reporting, including commissioning independent external reviews of various aspects of regulatory reporting. As the Group strengthens its processes and controls, there may be impacts on some of the Group's regulatory ratios such as the common equity tier 1 ("**CET1**") ratio and liquidity coverage ratio.

***The Group may not manage risks associated with the replacement of benchmark indices effectively***

The Financial Stability Board has observed that the decline in interbank short-term unsecured funding poses structural risks for interest rate benchmarks that reference these markets. In response, regulators and central banks in various jurisdictions have convened industry-led national working groups ("**NWGs**") to identify alternative replacement rates ("**near risk-free rates**" or "**RFRs**") for these Ibors and, where appropriate, make recommendations that would facilitate an orderly transition to these RFRs.

Following the announcement by the FCA in July 2017 that it will no longer continue to persuade or require panel banks to submit rates for the London Interbank offered rate ("**Libor**") after 2021, the NWGs for the impacted currencies were tasked with providing guidance and support to financial and non-financial firms to help them facilitate an orderly transition of the relevant Libors to their chosen RFRs. Further, on 5 March 2021, the FCA announced that all Libor settings will either cease to be provided by any administrator or no longer be representative: (i) immediately after 31 December 2021, in the case of all sterling, euro, Swiss franc and Japanese yen settings, and the 1-week and 2-month US dollar settings; and (ii) immediately after 30 June 2023, in the case of the remaining US dollar settings. The administrator of Libor, ICE Benchmark Administration ("**ICE**"), also announced that, absent any intervention by the FCA or support from the panel, and subject to the FCA's powers to require it to publish one or more Libor settings on a "synthetic basis" using a changed methodology, it would not publish Libor tenors and would cease publication of the respective rates on the abovementioned dates announced by the FCA.

The working group on euro risk free rates recommended replacing the euro overnight index average ("**Eonia**") with the euro short-term rate €STR (plus a fixed parameter spread), as changes needed to be made to Eonia's methodology as it was not compliant with 2016 EU Benchmark Regulation. As such Eonia will therefore be discontinued on 3 January 2022.

The expected discontinuation of certain key Ibors, the adoption of replacement RFRs by the market and the development of RFR products by the Group introduce a number of risks for the Group, its clients, and the financial services industry more widely. These include, but are not limited to:

- regulatory compliance, legal and conduct risk, arises from both the continued sale of products referencing Ibors and sales of products referencing RFRs and the transition of legacy contracts to alternative rates. There is a risk that the Group is unable to meet regulatory milestones associated with the discontinuance of sale of certain Ibor products, which may result in regulatory investigations or reviews being conducted into its preparation and readiness for the replacement of Ibors with alternative reference rates. Additionally, if the Group's sales processes are not appropriately adapted to account for the additional complexity of new products, or new RFR market conventions, additional conduct risks and regulatory actions may result and there may be a heightened risk of disputes;

- legal risks associated with the enforceability of fallback provisions in Ibor contracts. There is a risk that some contracts will not be transitioned before the relevant Ibor is discontinued and the parties will need to rely on the "fallback" provisions of those contracts. As these fallback provisions do not always contemplate the permanent cessation of the relevant Ibor, there is a risk that the provisions may not work from a contractual, practical or financial perspective, potentially resulting in unintended outcomes for clients. This may lead to complaints, litigation and/or regulatory action. While legislative solutions have been proposed or enacted in the UK, the State of New York and the EU, market participants will need to consider the impact of any proposals ultimately adopted;

- financial risks resulting from the discontinuation of Ibors and the development of RFR market liquidity will affect the Group throughout the transition. The differences in Ibor and RFR interest rate levels will create a basis risk that the Group will need to actively manage through appropriate financial hedging. Basis risk in the trading book and in the banking book may arise out of the asymmetric adoption of RFRs across assets and liabilities and across currencies and products. In addition, this may limit the ability to hedge effectively; and

- resilience and operational risks are heightened, as the Group's Ibor transition programme progresses to its execution phase, due to an expected increase in the number of new RFR products being rolled out, the short timelines for transitioning legacy Ibor contracts and the continued systems changes required to facilitate both new products and transition. These risks increased due to the impact that the Covid-19 outbreak and interest rate environment have had on client readiness to transition. This has resulted in compressed timelines for completing transition processes.

If any of these risks materialises, this could have a material adverse effect on the Group's business, financial condition, capital position, results of operations, prospects and customers.

***The Group is subject to the risk of current and future legal, regulatory or administrative actions and investigations, the outcomes of which are inherently difficult to predict***

The Group faces significant risks in its business relating to legal, regulatory or administrative actions and investigations. The volume and amount of damages claimed in litigation, regulatory proceedings, investigations, administrative actions 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, increasing focus from regulators, investors and other stakeholders on ESG disclosures, including in relation to the measurement and reporting of such matters in the absence of local or internationally accepted standards, increased media attention and higher expectations from regulators and the public. In addition, criminal prosecutions of financial institutions for, among other things, alleged conduct breaches, breaches of anti-money laundering ("**AML**"), anti-bribery/corruption, and sanctions and counter-terrorist financing regulations, antitrust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking services, have become more commonplace and may increase in frequency due to increased media attention and higher expectations from prosecutors and the public.

Any such legal, regulatory or administrative action or investigation against the Group or one or more of its subsidiaries could result in, among other things, substantial fines, civil penalties, criminal penalties, cease and desist orders, forfeitures, the suspension or revocation of key licences, requirements to exit certain businesses, other disciplinary actions and/or withdrawal of funding from depositors and other stakeholders. Any threatened or actual litigation, regulatory proceeding, administrative action, investigation or other adversarial proceeding against the Group or one or more of its subsidiaries could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation. Additionally, the Group's financial statements reflect provisioning for legal proceedings, regulatory and customer remediation matters. Provisions for legal proceedings, regulatory and customer remediation matters typically require a higher degree of judgement than other types of provisions, and the actual costs resulting from such proceedings and matters may exceed existing provisioning.

The Group and its subsidiaries continue to be subject to a number of material legal proceedings, regulatory actions and investigations. It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Group's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Moreover, the Group may face additional legal proceedings, investigations or regulatory actions in the future, including in other jurisdictions and/or with respect to matters similar to, or broader than, the existing legal proceedings, investigations or regulatory actions, such as any disputes resulting from the global market volatility associated with the Covid-19 outbreak. An unfavourable result in one or more of these proceedings could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***The Group may fail to meet the requirements of regulatory stress tests***

The Group is subject to regulatory stress testing in many jurisdictions. These exercises are designed to assess the resilience of banks to potential adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on the Group's data provision, stress testing capability and internal management processes and controls.

Failure to meet quantitative or qualitative requirements of regulatory stress test programmes, or the failure by regulators to approve the Group's stress test results and capital plans, could result in the Group being required to enhance its capital position and / or position additional capital in specific subsidiaries, and this could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations, prospects, capital position and reputation.

***The Securities and the Issuer will be subject to certain bank resolution powers under the Banking Act***

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended, supplemented or replaced from time to time, the "**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and their parent companies and other group companies. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. In the United Kingdom, the Banking Act 2009, as amended (the "**Banking Act**") has implemented the majority of the provisions of the BRRD, and was recently amended by, amongst other statutory instruments, The Bank Recovery and Resolution (Amendment) (EU Exit) Regulations 2020, which implement into United Kingdom law certain of the recent amendments to BRRD which were required to be implemented prior to IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020).

a. *Statutory intervention powers*

The Issuer is subject to the Banking Act, which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the BoE, the PRA and/or the FCA (each a "**relevant UKRA**") 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 Issuer), 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 BoE; (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 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.

b. *Write-down and conversion of capital instruments and liabilities powers and/or bail-in powers*

The powers granted to the relevant UKRA also include powers to vary or extinguish the claims of certain creditors. These powers include a "write-down and conversion of capital instruments and liabilities" power and a "bail-in" power.

The write-down and conversion of capital instruments and liabilities  power may be used where the relevant UKRA has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments or (where the institution concerned is not a resolution entity) certain internal non-own funds liabilities ("**relevant internal liabilities**") is required (however the use of the write-down and conversion power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down or conversion effected using this power must be carried out in a specific order such that common equity must be written off, cancelled or appropriated from the existing shareholders in full before additional tier 1 instruments are affected, additional tier 1 instruments must be written off or converted in full before tier 2 instruments are affected and (in the case of a non-resolution entity, such as the Issuer) tier 2 instruments must be written off or converted in full before relevant internal liabilities are affected. Where the write-down and conversion of capital instruments and liabilities power is used, the write-down is permanent and investors receive no compensation (save that CET1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments and liabilities power is not subject to the "no creditor worse off" safeguard (unlike the bail-in power described below).

The bail-in power gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Securities) of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the Securities) into another security, including ordinary shares of the surviving entity or its holding company, if any and/or to amend or alter the terms of such claims, including the maturity of the Securities or amendment of the amount of interest payable on the Securities, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) certain 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 Issuer's other subordinated indebtedness that is not additional tier 1 or tier 2 capital in the event that the bail-in power is applied by the relevant UKRA. The claims of some creditors whose claims would rank equally with those of the Securityholders may be excluded from bail-in. The more of such creditors there are, the greater will be the impact of bail-in on the Securityholders. The bail-in power is subject to the "**no creditor worse off**" safeguard, under which any shareholder or creditor which receives less favourable treatment than they would have had if the institution entered into insolvency may be entitled to compensation.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Group or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Securities). Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities.

c. *Powers to direct restructuring of the Group*

As well as a write-down and conversion of capital instruments and liabilities power and a bail-in power, the powers of the relevant UKRA under the Banking Act 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 one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant UKRA power 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.

The exercise by the relevant UKRA of any of the above powers under the Banking Act may limit the Issuer's capacity to meet its repayment obligation under the Securities and the exercise of any such powers (including especially the write-down and conversion of capital instruments power and the bail-in power) could lead to the holders of the Securities losing some or all of their investment.

Moreover, trading behaviour in relation to the securities of the Issuer (including the Securities), including market prices and volatility, may be affected by the use of, or any suggestion of the use of, these powers and accordingly, in such circumstances, the Securities are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant UKRA or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the Securities, the market value of an investment in the Securities and/or the Issuer's ability to satisfy its obligations under the Securities.

Although the Banking Act also makes provision for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant UKRA has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Securities will benefit from such support even if it were provided.

***The Group is subject to tax-related risks in the countries in which it operates***

The Group is subject to the substance and interpretation of tax laws in all countries in which it operates and is subject to routine review and audit by tax authorities in relation thereto. The Group's interpretation or application of these tax laws may differ from those of the relevant tax authorities, and the Group 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 depending on the ultimate resolution of such matters. In general, changes to tax laws and tax rates, including as a result of policy changes by governments and/or regulators, and penalties for failing to comply, could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, capital position and reputation.

***The Group may be subject to increased regulation regarding culture and accountability***

Financial institutions remain under considerable scrutiny by regulators, international bodies, organisations and unions regarding conduct of business, particularly in relation to fair outcomes for customers, promoting effective competition in the interests of customers, driving higher standards of both personal and corporate conduct and ensuring the orderly and transparent operation of global financial markets. As a result, the Group and its personnel may be subject to increased regulation in connection with institutional culture, employee behaviour and whistleblowing, including measures arising from ongoing thematic reviews into the workings of the SME and wholesale banking sectors and the provision of financial advice to consumers (particularly the FCA's Senior Managers and Certification Regime and the continued focus in the UK on the progress being made in implementing wider recommendations made by the Parliamentary Commission on Banking Standards). Regulators, prosecutors, the media and the public all have heightened expectations as to the behaviour and conduct of financial institutions, and any shortcomings or failure to demonstrate adequate controls are in place to mitigate such risks, particularly risks associated with the mis-selling of financial products or the mis-handling of customer complaints, could result in regulatory sanctions, fines or an increase in civil litigation, and could have a material adverse effect on the Group's business, financial condition, results of operations and reputation.

**Risks related to the Group's operations**

***The Group's operations are highly dependent on the HSBC Group's information technology systems***

The reliability and security of the HSBC Group's information technology infrastructure is crucial to the Group's provision of banking services and protecting the HSBC brand. The effective functioning of the HSBC Group'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 Group's branches and main data processing centres, is important to the Group's operations. As a result of the Covid-19 outbreak business continuity responses were implemented and the Group continues to monitor the situation, in particular, in those countries and regions where the level of Covid-19 infections is most prevalent.

Critical system failure, prolonged service unavailability or a material breach of data security, particularly of confidential customer data, could compromise the Group's ability to service its clients, could breach regulations and could cause long-term damage to the Group's business and brand that could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***The Group remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology***

The threat of cyber-attacks remains a concern for the Group, as it does across the entire financial sector. Failure to protect the Group's operations from internet crime or cyber-attacks may result in financial loss, disruption for customers or a loss of data. This could undermine the Group's reputation and its ability to attract and keep customers. The most prevalent cybersecurity threats intend to prevent customers from accessing the Group's online services by attempting to identify any vulnerabilities in the Group's systems (through malware or unauthorised access), disrupt its business, and cause data loss.

There have been no material cyber-related breaches that impacted the Group's customers or operations in 2020. However the risk remains that future cyber-related attacks will have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***The Group could incur losses or be required to hold additional capital as a result of model limitations or failure***

The Group uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of ECLs on an IFRS 9, Financial Instruments ("**IFRS 9**") basis, financial crime and fraud risk management and financial reporting. The Group could face adverse consequences as a result of decisions that may lead to actions by management, based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed or by inherent limitations arising from the uncertainty inherent in predicting or estimating future outcomes. Regulatory scrutiny and supervisory concerns over banks' use of models is considerable, particularly the internal models and assumptions used by banks in the calculation of regulatory capital. If regulatory approval for key capital models is not achieved in a timely manner or if those models are subject to review and challenge, the Group could be required to hold additional capital. Evolving regulatory requirements have resulted in changes to the Group's approach to model risk management, which poses execution challenges. The adoption of more sophisticated modelling approaches including machine learning and technology by both the Group and the financial services industry could also lead to increased model risk.

The economic consequences of the Covid-19 outbreak on macroeconomic variables that are used in models are outside of the bounds for which IFRS 9 models have been built and calibrated to operate. Moreover, complexities of current governmental support programmes and regulatory guidance on the treatment of customer impacts, such as forbearance and payment holidays, and the unpredictable pathways of the Covid-19 outbreak, cannot realistically be factored into the modelling. Consequently, IFRS 9 models under the current economic conditions are generating outputs that do not accurately assess the actual level of credit quality in all cases. This has required more ongoing monitoring and more frequent testing across the Group, particularly for credit models. It also has resulted in enhanced and more frequent loss model monitoring. In addition, compensating controls, such as post model management adjustments based on expert judgement are required. Such compensating controls require a significant degree of management judgment and assumptions. There is a risk that future actual results/performance may differ from such judgments and assumptions. The effectiveness of the existing models will depend in large part on the depth and length of the economic downturn faced by the world's economies.

Risks arising from the use of models, including reputational, could have a material adverse effect on the Group's business, financial condition, capital position, results of operations and prospects.

***The Group's operations utilise third-party suppliers and service providers***

The Group relies on third parties to supply goods and services. The use of third-party service providers by financial institutions is of particular focus to global regulators, including with respect to how outsourcing decisions are made and how key relationships are managed. The inadequate management of third-party risk could impact the Group's ability to meet strategic, regulatory and client expectations. This may lead to a range of effects, including regulatory censure, civil penalties or damage to the Group's reputation, which could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and strategy.

**Risks related to the Group's governance and internal controls**

***The Group's data management and data privacy controls must be sufficiently robust to support the increasing data volumes and evolving regulations***

As the HSBC Group becomes more data-driven and the Group's business processes become more digital, the volume of data that the Group relies on has grown exponentially. As a result, management of data (including data retention and deletion, data quality, data privacy and data architecture policies and procedures) from creation to destruction must be robust and designed to effectively identify any quality and availability issues. Inadequate data management could result in negative impacts to customer service, business process, or could result in manual intervention and reconciliation to reduce the risk of errors in reporting to senior management, regulators or executives.

In addition, failure to comply with data privacy laws or other legislation in the jurisdictions in which the Group operates may result in regulatory sanctions. Any of these failures could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***Third parties may use the Group as a conduit for illegal activities without the Group's knowledge***

The Group is required to comply with applicable AML and sanctions laws and regulations, and has adopted various policies and procedures, including internal control and 'know your customer' procedures, aimed at preventing use of its products and services for the purpose of committing or concealing financial crime. Moreover, in relevant situations, and where permitted by regulation, the Group may rely upon certain counterparties to maintain and properly apply their own appropriate AML procedures. While permitted by regulation, such reliance may not prevent third parties from using the Group (and the Group's relevant counterparties) as a conduit for money laundering, without the Group's knowledge (and that of the Group's relevant counterparties). Further, a major focus of US and UK government policy relating to financial institutions in recent years has been combating money laundering and enforcing compliance with US and EU sanctions.

Becoming a party to, associated with, or even accusations of being associated with, money laundering, or violations of sanctions laws or regulations could damage the Group's reputation and could make it subject to fines, sanctions and/or legal enforcement. Any one of these outcomes could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***The Group may suffer losses due to employee misconduct***

The Group's businesses are exposed to risk from potential non-compliance with the HSBC Group's policies, including the HSBC Values (the HSBC Values describe how the Group's employees should interact with each other and with customers, regulators and the wider community), and related behaviours and employee misconduct such as fraud, negligence or non-financial misconduct, all of which could result in regulatory sanctions and/or 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 Group takes to prevent and detect this activity may not always be effective. Misconduct risks could be increased if prevent and detect measures are less effective because of remote and home working. Employee misconduct, or regulatory sanctions if a regulator deems the Group's actions to deter such activity to be insufficient, could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***The delivery of the Group's strategic actions is subject to execution risk and the Group may not achieve the expected benefits of its strategic initiatives***

Effective management of transformation projects is required to effectively deliver the Group's strategic priorities, involving delivering both on externally driven programmes for example, Ibor transition, as well as key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these can result in heightened execution risk.

The HSBC Group's strategy is supported by global trends – the continued economic development in emerging markets, growth of international trade and capital flows, and wealth creation, particularly in faster-growing markets. The HSBC Group takes into consideration global trends along with its strategic advantages to help it better deploy capital. The development and implementation of the HSBC Group's strategy requires difficult, subjective and complex judgements, including forecasts of economic conditions in various parts of the world. The HSBC Group may fail to correctly identify the relevant factors in making decisions as to capital deployment and cost reduction.

The Group's ability to assist in executing the HSBC Group's strategy may be limited by its operational capacity, current macroeconomic conditions and the increasing complexity of the regulatory environment in which the Group operates. The Group continues to pursue cost management initiatives, though they may not be as effective as expected, and the Group may be unable to meet the HSBC Group's cost saving targets.

The global economic outlook is more uncertain, particularly with regard to the effects of the Covid-19 outbreak, the low global interest rate environment, heightened geopolitical tensions (particularly between the US and China) and the future UK relationship with the EU now that the transition period has ended. There remains a risk that, in the absence of an improvement in economic conditions, the Group's cost and investment actions may not be sufficient to achieve the expected benefits.

The failure to successfully deliver or achieve any of the expected benefits of these key strategic initiatives could have a material adverse effect on the Group's business, financial condition, results of operations, prospects and reputation.

***The Group's risk management measures may not be successful***

The management of risk is an integral part of all the Group's activities. Risk constitutes the Group'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 wholesale credit risk, market risk, non-traded market risk, operational risk, insurance risk, concentration risk, liquidity and funding risk, litigation risk, conduct risk, reputational risk, strategic risk, pension risk and regulatory risk.

While the Group employs a broad and diversified set of risk monitoring and mitigation techniques, such methods 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 or regulatory sanctions if a regulator deems the Group's risk management measures to be insufficient could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, strategy and reputation.

**Risks related to the Group's business**

***The Group's business has inherent reputational risk***

Reputational risk is the risk of failing to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Group or a member of the HSBC Group, the Group's employees or those with whom the Group is associated. Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputational risk. Stakeholder expectations constantly evolve, and so reputational risk is dynamic and varies between geographical regions, groups and individuals. In addition, the Group's business faces increasing scrutiny related to environmental, social and governance activities. If the Group fails to act responsibly, or to contribute to the achievement of the HSBC Group's announced targets, in a number of areas, such as diversity and inclusion, climate change, sustainability, workplace conduct, human rights, and support for local communities, the Group's reputation and the value of its brand may be negatively affected.

Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Reputational risk could also arise from negative public opinion about the actual, or perceived, manner in which the Group conducts its business activities, or its financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Negative public opinion may adversely affect the Group's ability to retain and attract customers, in particular, corporate depositors, and to retain and motivate staff, and could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

***Non-Financial risks are inherent in the Group's business***

The Group is exposed to many types of non-financial risks that are inherent in banking operations. Non-financial risk can be defined as the risk to the Group of achieving its strategy or objectives as a result of inadequate or failed internal processes, people and systems, or from external events. It includes; fraudulent and other criminal activities (both internal and external), breakdowns in procedures, breaches of regulations or law, and financial reporting and tax errors. These risks are also present when the Group relies on outside suppliers or vendors to provide services to the Group and its customers.

For example, fraudsters may target any of the Group's products, services and delivery channels, including lending, internet banking, payments, bank accounts and cards. This may result in financial loss to the Group and/or its customers, an adverse customer experience, reputational damage and potential litigation, regulatory proceeding, administrative action or other adversarial proceeding in any jurisdiction in which the Group operates, depending on the circumstances of the event.

These non-financial risks could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, strategy and reputation. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Group will necessarily be unable to comply with its obligations as a company with securities admitted to the Official List of the Irish Stock Exchange plc (trading as Euronext Dublin) or as a supervised firm regulated by the FCA and the PRA.

***The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel***

Meeting the demand to recruit, retain and develop appropriate senior management and skilled personnel remains subject to a number of challenges. These include rapidly changing skill requirements and ways of working, the evolving regulatory landscape plus increased requirements and expectations regarding diversity. Ongoing talent shortages and capabilities, particularly where those with the scarce capabilities are globally mobile, add to the complexity of the Group's supply challenge.

The Group's continued success depends in part on the retention of key members of its management team and wider employee base, the availability of skilled management in each of its business units, and the ability to continue to attract, train, motivate and retain highly qualified professionals, each of which may depend on factors beyond the Group's control, including economic, market and regulatory conditions, and the impact of the COVID-19 outbreak on health and well-being. In addition, the HSBC Group announced targets in relation to increasing the representation of women and black employees in senior leadership roles by 2025. If the HSBC Group fails to achieve these targets, the Group's ability to attract and retain qualified professionals may be negatively affected.

If one of the Group's business units fails to staff its operations appropriately or loses one or more of their key senior executives and fails to successfully replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support the Group's business, this could place the Group at a significant competitive disadvantage and prevent it from successfully implementing its strategy, which could have a material adverse effect on the Group's financial condition, results of operations and prospects, including control and operational risks.

***The Group has significant exposure to counterparty risk***

The Group is exposed to counterparties that are involved in virtually all major industries, and the Group routinely executes transactions with counterparties in financial services, including brokers and dealers, central clearing counterparties, commercial banks, investment banks, mutual and hedge funds, and other institutional clients.

Many of these transactions expose the Group to credit risk in the event of default by its counterparty or client. The Group'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 of over-the-counter derivatives, including under the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") and Regulation (EU) No 648/2012 (the European Market Infrastructure Regulation) (including as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018) poses risks to the Group. As a clearing member, the Issuer is required to underwrite losses incurred at a central counterparty by the default of other clearing members and their clients. Increased moves towards central clearing brings with it a further element of interconnectedness between clearing members and clients that the Group believes may increase rather than reduce the Group's exposure to systemic risk. At the same time, the Group's ability to manage such risk itself will be reduced because control has been largely outsourced to central counterparties, 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 Group's credit risk may remain high if the collateral the Group holds cannot be realised or has to be liquidated at prices that are insufficient to recover the full amount of the Group's loan or derivative exposure. There is a risk that collateral cannot be realised, including situations where this arises by change of law that may influence the Group's ability to foreclose on collateral or otherwise enforce contractual rights.

The Group also has credit exposure arising from mitigants, such as credit default swaps, and other credit derivatives, each of which is carried at fair value. The risk of default by counterparties to credit default swaps and other credit derivatives used as mitigants affects 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 such adjustments or fair value changes could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Any reduction in the credit rating assigned to the Issuer, any subsidiaries of the Issuer or any of their respective debt securities could increase the cost or decrease the availability of the Group's funding and materially adversely affect the Group's liquidity position and/or net interest margin***

Credit ratings affect the cost and other terms upon which the Group is able to obtain market funding. Rating agencies regularly evaluate the Issuer 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 Issuer or of the relevant subsidiary, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Issuer's or the relevant subsidiary's current ratings or outlook, particularly given the risks relating to the ongoing Covid-19 outbreak (as discussed further under "*Risks relating to the impact of Covid-19*"). For example, on 20 October 2020, Moody's downgraded the Issuer's long-term issuer credit ratings. This reflected the agency's downgrade of the Government of the United Kingdom's sovereign debt rating on 16 October 2020. At the same time, Moody's changed the outlook on the Issuer's long-term ratings from negative to stable.

Any reductions in these ratings and outlook could increase the cost of the Group's funding, limit access to capital markets and require additional collateral to be placed and, consequently, materially adversely affect the Group's interest margins and its liquidity position.

***Risks concerning borrower credit quality are inherent in the Group's businesses***

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties (e.g. reinsurers and counterparties in derivative transactions) are inherent in a wide range of the Group's businesses. Adverse changes in the credit quality of the Group's borrowers and counterparties arising from a general deterioration in economic conditions or systemic risks in the financial systems, including from the impact of the ongoing Covid-19 outbreak (see "*Risks relating to the impact of Covid-19*") could reduce the recoverability and value of the Group's assets, and require an increase in the Group's ECLs.

The Group estimates and recognises ECLs in its credit exposure. This process, which is critical to the Group's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how the economic conditions might impair the ability of the Group's borrowers to repay their loans and the ability of other counterparties to meet their obligations. This assessment considers multiple alternative forward-looking economic conditions (including GDP estimates) and incorporates this into the ECL estimates to meet the measurement objective of IFRS 9. As is the case with any such assessments, the Group may fail to estimate accurately the effect of factors that it identifies or fail to identify relevant factors. Further, the information the Group uses to assess the creditworthiness of its counterparties may be inaccurate or incorrect. Any failure by the Group to accurately estimate the ability of its counterparties to meet their obligations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group provides various insurance products for customers with whom the Group 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 materially adversely affect the Group's business, financial condition, results of operations and prospects.

***The Group may be required to make substantial contributions to its pension plans***

The Group 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. They can also be affected by operational and legal risks. The level of contributions the Group makes to its pension plans has a direct effect on its 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 Group's business, financial condition, results of operations and prospects.

**Risks related to the Group's financial statements and accounts**

***The Group's financial statements are based in part on judgements, estimates and assumptions that are subject to uncertainty***

The preparation of financial information requires management to make judgements and use estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, particularly those involving the use of complex models, actual results reported in future periods could differ from those on which management's estimates are based. Estimates, judgements, assumptions and models 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 prevailing circumstances. The impacts of revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Accounting policies deemed critical to the Group's results and financial position are those that involve a high degree of uncertainty and have a material impact on the financial statements. In 2020, 'Critical accounting estimates and judgements' with respect to the Group's financial statements comprised investments in subsidiaries, valuation of financial instruments, expected credit losses, present value of in-force long-term insurance business, deferred tax assets and provisions.

The assessment of whether investments in subsidiaries are impaired, and the measurement of any impairment, involves the application of judgement in determining key assumptions, including the long-term pattern of sustainable cash flows and discount rates. The valuation of financial instruments measured at fair value can be subjective, in particular where models are used that include unobservable inputs. The measurement of impairment of amortised cost financial assets and financial assets measured at fair value through other comprehensive income requires the selection and calibration of complex models and the use of estimates and assumptions to incorporate relevant information about past events, current conditions and forecasts of economic conditions; additionally, significant judgement is involved in determining what is considered to be significant increases in credit risk. The present value of in-force long-term insurance business involves judgement in determining key assumptions such as future investment returns, lapse rates and mortality. The recognition and measurement of deferred tax assets involves significant judgement regarding the probability and sufficiency of future taxable profits, taking into account the future reversal of existing taxable temporary differences. The recognition and measurement of provisions involve significant judgements due to the high degree of uncertainty in determining whether a present obligation exists, and in estimating the probability and amount of any outflows that may arise.

Given the uncertainty and subjectivity associated with the above critical accounting judgements and estimates, future outcomes may differ materially from those assumed using information available at the reporting date.

The effect of these changes on the future results of operations and the future financial position of the Group may be material, and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Changes in accounting standards may have a material impact on how the Group reports its financial results and financial condition***

The Issuer prepares its consolidated financial statements in compliance with international accounting standards in conformity with the requirements of the Companies Act 2006 and has also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the

European Union. The consolidated financial statements are also prepared in accordance with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), including interpretations ("**IFRICS**") issued by the IFRS Interpretations Committee as there are no applicable differences from the IFRSs as issued by the IAS for the periods presented. From time to time, the IASB or the IFRS Interpretations Committee may issue new accounting standards or interpretations that could materially impact how the Issuer calculates, reports and discloses its financial results and financial condition, and which may affect the Issuer's capital ratios, including the CET1 ratio. The Issuer could also be required to apply new or revised standards retrospectively, resulting in the Issuer restating prior period financial statements in material amounts.

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer the information contained in this Registration Document is in accordance with the facts and this Registration Document 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 Issuer, or any trustee or any dealer appointed in relation to any issue of Securities by the Issuer.

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

None of the delivery of this Registration Document or any documents incorporated by reference herein or any prospectus prepared by the Issuer in relation to which this Registration Document is incorporated by reference (a "**Prospectus**") or any relevant Final Terms or Pricing Supplement or 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 Issuer since the date hereof, or that the information contained in this Registration Document including any documents incorporated by reference herein 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 Issuer expressly does not undertake to review the financial condition or affairs of the Issuer 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 Issuer 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 Issuer 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 Issuer 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 or the relevant Final Terms.

In this Registration Document and in relation to any Securities issued by the Issuer, references to the "**relevant dealers**" are to whichever of the dealers enters into an agreement for the issue of such Securities issued by the Issuer 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 or Pricing Supplement relating to such Securities.

## DOCUMENTS INCORPORATED BY REFERENCE

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

- the 2020 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2020 submitted to and filed with the Central Bank (the "**2020 Annual Report and Accounts**") (available at: https://www.hsbc.com/investors/results-and-announcements/all-reporting/subsidiaries?page=1&take=20&company-new=hsbc-bank-plc); and

- the 2019 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2019 submitted to and filed with the Central Bank (the "**2019 Annual Report and Accounts**") (available at: https://www.hsbc.com/investors/results-and-announcements/all-reporting/subsidiaries?page=1&take=20&company-new=hsbc-bank-plc).

The Issuer 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 will be available for viewing at https://www.hsbc.com/investors/fixed-income-investors/issuance-programmes?page=1&take=20. For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, any websites referred to in this Registration Document or any information appearing on such websites and pages do not form part of this Registration Document.

Any information incorporated by reference in the above documents does not form part of this Registration Document.

## THE ISSUER AND ITS SUBSIDIARY UNDERTAKINGS

*All references in this section of the Registration Document to "**Issuer**" refer to HSBC Bank plc, all references to "**Group**" refer to HSBC Bank plc and its subsidiary undertakings, all references to "**HSBC Group**" refer to HSBC Holdings plc and its subsidiary undertakings.*

*History and Development of the Issuer*

HSBC Bank plc (the "**Issuer**") 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 number is +44 20 7991 8888. The Issuer was constituted by Deed of Settlement on 15 August 1836 and in 1873 was 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 Issuer adopted the name of Midland Bank Limited which it held until 1 February 1982 when the Issuer 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 plc ("**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 Issuer uses the abbreviation HSBC.

*Legislation*

The Issuer is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, the FSMA, for the purposes of which the Issuer 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 UK Companies Act 2006 (as amended).

*Principal activities and markets*

The information in this "*Principal activities and markets*" section is as at the date of this Registration Document. The Group is a UK-based group, which provides a comprehensive range of banking and related financial services.

The Issuer manages its products and services through its three businesses: Global Banking and Markets ("**GBM**"), Commercial Banking ("**CMB**") and Wealth and Personal Banking ("**WPB**").

GBM delivers tailored financial solutions to major government, corporate and institutional clients worldwide. GBM provides a comprehensive suite of services across lending, advisory and capital markets, trade services, research, securities services and global liquidity and cash management. It's European teams bring together relationship managers and product specialists, to deliver financial solutions customised to suit its clients' business specific growth ambitions and financial objectives. GBM continues to work closely with colleagues in CMB, to provide a range of tailored products. GBM operates as an integral part of the global business and also contributes significant revenues to other regions through its European client base. It's business is underpinned by a focus on the highest standards of conduct and financial crime risk management. GBM remain committed to deepening client relationships, improving synergies across HSBC global businesses. GBM continues to invest in digital programmes focused on clients such as HSBCnet, streamlining the platform and improving customer experience. Cost discipline remains a priority, as GBM strive to simplify the business through streamlining business lines, operations and technology.

CMB serves customers ranging from small enterprises focused on their local market to corporates operating across border and supports multinationals across the region. CMB's network of relationship managers and product specialists work closely to meet customer needs, from term loans to region-wide treasury and trade solutions. CMB is at the centre of creating revenue synergies within the HSBC Group. CMB works closely with its GBM colleagues to provide expertise in capital finance and advisory solutions to support CMB's clients. The trade teams within CMB also provide import and export finance solutions to GBM clients. With major operations in France and Germany, and full-service centres in hubs such as Ireland, the Netherlands and Switzerland, CMB provides corporates with the means to consolidate and simplify their European operations, enabling its customers to have greater visibility over their liquidity position and unlock efficiencies in their treasury structures. CMB customers expect them to be innovative, whether it is a receivables finance solution to optimise working capital or support in pursuing the sustainability agenda. One way CMB is helping customers in their sustainability efforts is through their supply chains, by developing green financing solutions that are beneficial for buyer and seller alike.

In Europe, WPB serves around 1.2 million customers with their financial needs through Private Banking, Retail Banking, Wealth Management, Insurance and Asset Management. Its core retail proposition offers a full suite of products including personal banking, mortgages, loans, credit cards, savings, investments and insurance. Alongside this, WPB offers various propositions in certain markets, including Jade, Premier, and Advance; as well as wealth solutions, financial planning and international services. In the Channel Islands and Isle of Man, WPB serves local islanders as well as international customers through its HSBC Expat proposition. WPB's Private Banking proposition serves high net worth and ultra-high net worth clients with investable assets greater than £4 million in the Channel Islands and Isle of Man, France and Germany. The range of services available to private banking clients includes investment management, private wealth solutions and bespoke lending such as lending against financial assets and residential mortgage financing for high-end properties. The depth of WPB's global business service matches that of its diverse client needs, from branches, self-service terminals, telephone service centres and digital services. Private Banking hosts a 'Next Generation' programme of events to support its client's next generation and offers philanthropic advice to its clients. WPB continue to focus on meeting the needs of its customers, the communities it serves, and its people, whilst working to build the bank of the future.

At 31 December 2020, the Issuer and its subsidiaries had a physical presence in Armenia, Belgium, the Channel Islands and Isle of Man, Czech Republic, France, Germany, Greece, Ireland, Israel, Italy, Luxembourg, Malta, Netherlands, Poland, Russia, South Africa, Spain, Sweden, Switzerland and the United Kingdom.

The principal activities and markets of the Group are described in more detail on pages 4 to 6 of the 2020 Annual Report and Accounts (incorporated by reference herein).

As at 31 December 2020, the Issuer's principal subsidiary undertakings and their country of incorporation or registration were:

| *Name of Subsidiary Undertaking* | *Location* |
|---|---|
| HSBC Investment Bank Holdings Limited | England |
| HSBC Asset Finance (UK) Limited | England |
| HSBC Life (UK) Limited | England |
| HSBC Continental Europe (99.99 per cent. owned) | France |
| HSBC Trinkaus & Burkhardt AG (99.33 per cent. owned)[1] | Germany |
| HSBC Bank Malta p.l.c. (70.03 per cent. owned) | Malta |

The subsidiaries, joint ventures and associates of the Issuer are described in more detail on pages 177 to 179 of the 2020 Annual Report and Accounts (incorporated by reference herein).

*Organisational Structure*

Following the completion of the HSBC Group's ring-fencing of its UK retail banking activities on 1 July 2018, and as part of the implementation of HSBC Group's reorganisation plans, the Issuer became a wholly-owned subsidiary of HSBC UK Holdings Limited in October 2018. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of HSBC Holdings plc.

Until 10 May 2021, the whole of the issued ordinary and preference share capital of the Issuer was legally and beneficially owned by HSBC UK Holdings Limited. HSBC UK Holdings Limited transferred the ordinary and preference share capital in the Issuer to HSBC Holdings plc in part-satisfaction of a dividend declared on 10 May 2021. Following the granting of stamp duty relief for this transfer by Her Majesty's Revenue and Customs, HSBC Holdings plc was entered on the Issuer's register of members as the legal owner of the ordinary and preference shares on 21 June 2021. Accordingly, the Issuer is now a wholly and directly owned subsidiary of HSBC Holdings plc.

The HSBC Group is one of the largest banking and financial services organisations in the world with an international network which covers 64 countries and territories. Within these regions, a comprehensive range of banking and related financial services is offered to personal, commercial, corporate, institutional, investment and private banking clients. As at 31 December 2020 the total assets of the HSBC Group were U.S.$ 2,984,164 million.

[1] The Issuer purchased the remaining minority interest in HSBC Trinkaus & Burkhardt AG, achieving a 100 per cent. Shareholding, on 26 January 2021.

*Ratings*

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

- A+ by S&P. This means that S&P is of the opinion that the Issuer has a strong capacity to meet its financial commitments;
- A1 by Moody's. This means that Moody's is of the opinion that the Issuer is upper-medium-grade and is subject to low credit risk; and
- AA- by Fitch. This means that Fitch is of the opinion that the Issuer 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 Issuer 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 Issuer'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 Issuer has a superior ability to repay short-term debt obligations; and
- F1+ by Fitch. This means that Fitch is of the opinion that the Issuer has the strongest intrinsic capacity for timely payment of short-term financial commitments.

Each of S&P, Moody's and Fitch is established in the United Kingdom and is registered as a credit rating agency under the UK CRA Regulation.

*Management*

**Directors**

The directors of the Issuer, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in relation to the Issuer and their principal outside activities (if any) of significance to the Issuer are as follows:

| **Name** | **Function within the Group** | **Other principal activities outside of the Issuer** |
|---|---|---|
| S O'Connor* | Chairman | Non-executive Director, HSBC Continental Europe<br>Non-Executive Chairman, Quantile Technologies Limited<br>Senior Independent Non-executive Director, member of the Risk Audit and Nomination Committees, The London Stock Exchange Group plc<br>Director, London Stock Exchange plc<br>Non-executive Director, FICC Markets Standards Board |
| J Trueman* | Deputy Chairman | Chairman and member of the Risk Committee, HSBC Global Asset Management Limited |
| C Bell | Chief Executive Officer | Member of the Supervisory Board, HSBC Trinkaus & Burkhardt AG |
| J Fleurant | Chief Finance Officer | — |
| Dame Mary Marsh* | Director | Non-executive Chair of Trustees, Royal College of Paediatrics and Child Health<br>Director, London Symphony Orchestra |

| Name | Function within the Group | Other principal activities outside of the Issuer |
|---|---|---|
| | | Member of the Governing Body, London Business School<br><br>Trustee, Teach First |
| Y Omura* | Director | Non-executive Director, The Private Infrastructure Development Group Limited (PIDG), as well as Chair of GuarantCo Limited, a subsidiary of PIDG<br><br>Non-executive Director, Assured Guaranty Limited<br><br>Member of the Supervisory Board, Nishimoto HD Co Limited |
| J Robinson* | Director | — |
| E Strutz* | Director | Member of the Supervisory Board, Chairman of the Audit Committee and member of the Risk Committee, HSBC Trinkaus & Burkhardt AG<br><br>Member of the Board of Directors, Global Blue Group Holding AG<br><br>Member of the Advisory Board and Chairman of the Audit and Risk Committee of Luxembourg Investment Company 261 Sarl |
| A Wright* | Director | Member of Supervisory Board,Chairman of the Risk Committee and member of the Audit Committee, HSBC Trinkaus & Burkhardt AG |

**Notes**:

* Independent Non-executive Director

*Management Committees*

**Executive Committee**

The Issuer'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 Issuer. The members of the Executive Committee and their functions in relation to the Issuer's Executive Committee and their principal outside activities (if any) of significance to the Issuer are as follows:

| Name | Function | Other principal activities outside the Issuer |
|---|---|---|
| C Bell | Chairman<br><br>Chief Executive Officer, HSBC Bank plc and Chief Executive Officer, Europe | Member of the Supervisory Board, HSBC Trinkaus & Burkhardt AG |
| C Allen | Head of Global Private Banking, EMEA | — |
| A Beane | Chief of Staff and Head of Transformation, Europe | — |

| Name | Function | Other principal activities outside the Issuer |
|---|---|---|
| J Beunardeau | Chief Executive Officer, HSBC Continental Europe | Director, HSBC Continental Europe |
| R Blackburn | Chief Risk Officer, EMEA and Global Banking & Markets and Commercial Banking | |
| M Charles | General Counsel, Europe and Global Co-General Counsel, Global Banking & Markets and Commercial Banking | — |
| M Colebrook | Head of Wealth and Personal Banking, EMEA | — |
| J Fleurant | Chief Finance Officer, Europe | — |
| P George | Head of Markets and Securities Services, Europe and North America | — |
| P Henry | Head of Global Banking , EMEA | — |
| A Campbell | Company Secretary, HSBC Bank plc and Europe Region | — |
| R Montgomerie | Head of Human Resources, EMEA | — |
| | | |
| A Sowter | Chief Compliance Officer, EMEA (MENAT & Europe), Global Banking & Markets and Commercial Banking | — |
| M Wallis | Global Head of Communications, Network and Head of Communications, Europe | |
| A Wild | Head of Commercial Banking, Europe | — Director, HSBC Continental Europe |
| T Kwong | Chief Operating Officer, Europe | Director, HSBC Armenia cjsc |
| N Salsano | Chief Executive Officer, HSBC Germany | — |

*Conflicts of Interest*

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

*Share Capital and Major Shareholders*

For details on the share capital of the Issuer as at 31 December 2020, see "*Note 29 - Called up share capital and other equity instruments"* on pages 169-170 of the 2020 Annual Report and Accounts. See "*Organisational Structure*" above for details of the Issuer's current shareholder.

*Corporate Governance*

For details on the Issuer's corporate governance regime, see the sections headed "*Corporate Governance Report*" and "*Board and Committee effectiveness and performance*" on pages 86 and 88, respectively, of the 2020 Annual Report and Accounts.

*Dividends*

The Issuer paid the following dividends during the previous three years:

| **Year** | **Aggregate Dividends (in £m)** | **Comments** |
|---|---|---|
| 2018 | 868 | Including payments of £51,389,977 under the Non-Cumulative Third Dollar Preference Shares. |
| 2019 | 2,838 | Including payments of £50,722,677 under the Non-Cumulative Third Dollar Preference Shares. |
| 2020 | 51 | Payments of £ 50,866,178 under the Non-Cumulative Third Dollar Preference Shares. |

# GENERAL INFORMATION

*All references in this section of this Registration Document to "**Issuer**" refer to HSBC Bank plc, all references to "**Group**" refer to HSBC Bank plc and its subsidiary undertakings, and all references to "**HSBC Group**" refer to HSBC Holdings plc and its subsidiary undertakings.*

1. HSBC Bank plc (the "**Issuer**") prepares its consolidated financial statements in accordance with International Financial Reporting Standards.

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

3. Save as disclosed in Note 25 "*Provisions*" on pages 164 to 165 and Note 32 "*Legal proceedings and regulatory matters*" on pages 171 to 174, of the 2020 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 Issuer is aware) which may have during the 12-months prior to the date of this Registration Document, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

4. PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, of 7 More London Riverside, London SE1 2RT, United Kingdom has audited without qualification the financial statements contained in the Annual Report and Accounts of the Issuer for the financial years ended 31 December 2019 and 2020.

5. The date of the articles of association of the Issuer is 23 November 2018.

6. The Issuer does not have a specific purpose or objects clause in its articles of association. The Issuer is an authorised institution under the UK Financial Services and Markets Act 2000 (as amended) ("**FSMA**") and provides a comprehensive range of banking and related financial services.

7. For so long as the Issuer may issue Securities with respect to which this Registration Document forms part of a prospectus prepared by the Issuer relating to such Securities, the following documents may be inspected during normal business hours at the registered office of the Issuer or at the website set out by each relevant document listed below for the 12 months from the date of this Registration Document:

   (a) the up to date memorandum and articles of the Issuer (website: www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes')); and

   (b) the 2020 Annual Report and Accounts and the 2019 Annual Report and Accounts (website: www.hsbc.com (please follow links to 'Investors', 'Results and Announcements', 'All Reporting', 'Subsidiaries')).

8. The Issuer will, at its registered office 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 such documents should be directed to the specified office of any Paying Agent.

9. This Registration Document (including any document incorporated by reference herein) will be available for viewing at www.hsbc.com (please follow links to 'Investors', 'Fixed income investors', 'Issuance programmes'). For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, information contained on the website does not form part of this Registration Document.

10. The Legal Entity Identifier (LEI) code of the Issuer is MP6I5ZYZBEU3UXPYFY54.

**HEAD AND REGISTERED OFFICE OF THE ISSUER**

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London
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United Kingdom

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**AUDITOR AND REPORTING ACCOUNTANT TO THE ISSUER**

**PricewaterhouseCoopers LLP**
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