REGISTRATION DOCUMENT

HSBC Bank plc

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

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

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

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

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

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

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.

14 April 2016

HOW TO USE THIS REGISTRATION DOCUMENT

*All references in this section of this Registration Document to "**Bank**" and "**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 "**Bank**" or the "**Issuer**") and incorporates by reference the Annual Report and Accounts of the Bank (the "**2015 Annual Report and Accounts**") and the additional information document in relation to the year ended 31 December 2015 (the "**2015 Additional Information**"). The 2015 Annual Report and Accounts includes the latest publicly available financial information relating to the Bank and its subsidiary undertakings (the "**Group**") and other information in relation to the Group, which is relevant to investors. The 2015 Additional Information is additional financial information, which is intended to be read in conjunction with the 2015 Annual Report and Accounts, but which is not required to be included in the 2015 Annual Report and Accounts by either the UK Companies Act 2006 or by International Financial Reporting Standards. It includes commentary on the results of the Group in 2014 versus 2013 and certain statistics and other information. This Registration Document (including such information incorporated by reference) contains information necessary for investors to make an informed assessment of the Bank. Investors must read this Registration Document together with the 2015 Annual Report and Accounts and the 2015 Additional Information. Where further information is provided in the 2015 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 Bank that may affect the Bank'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 Bank's responsibility for this Registration Document and provides information about its authorised use.

HSBC Bank plc and its Subsidiary Undertakings provides information about the Bank 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 Bank, its credit ratings and its management.

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

CONTENTS

RISK FACTORS

*All references in this section of the Registration Document to "**Bank**" and "**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.*

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

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

Risks Relating to the Bank

A description of the risk factors relating to HSBC Bank plc (the "**Bank**") that may affect the ability of the Bank to fulfil its obligations to investors in relation to any of its debt or derivative securities ("**Securities**") is set out below.

Macroeconomic and geopolitical risk

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

The Bank's earnings are affected by global and local economic and market conditions. Economic growth in emerging markets remained weak in 2015, with a number of headwinds adversely affecting both developed and emerging markets. Oil and gas prices continued to fall sharply in 2015 and in early 2016. Global trade has been subdued, particularly for lower value transactions throughout 2015, which combined with increased capital and regulatory pressures, has caused many institutions to have a greater focus on core activities, which may exclude trade finance particularly in those countries with limited access to international markets. The slowdown of the mainland Chinese economy dampened global trade and caused volatility in currency and global stock markets. Uncertainties remain concerning the outlook and future economic environment and there can be no assurance that the global economy as a whole will improve significantly or at all.

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

- the demand for borrowing from creditworthy customers may diminish if economic activity slows or remains subdued;
- as capital flows are increasingly disrupted, some emerging markets have imposed protectionist measures that could affect financial institutions and their clients, and others may be tempted to follow suit;
- European banks may come under renewed stress as subdued economic conditions raise asset quality worries, particularly in the European Union ("**EU**"), and uncertainties about the new EU bank resolution regime raise funding costs;

- geopolitical risks, which remain elevated in many parts of the world, directly affect the economies of the countries in which the Bank operates and present a clear risk of disruption to the global economy due to links to the global resources supply chain;
- a prolonged period of low or negative interest rates will constrain the net interest income the Bank earns from its investment of excess deposits, for example, through margin compression and low returns on assets;
- the Bank's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption, for example, in the event of contagion from stress in the eurozone sovereign and financial sectors; and
- market developments may depress consumer and business confidence beyond expected levels. If economic growth remains subdued, for example, asset prices and payment patterns may be adversely affected, leading to greater than expected increases in the Bank's delinquencies, default rates, write-offs and loan impairment charges.

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

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

The Bank operates through an international network of subsidiaries and affiliates. The Bank's results are subject therefore to the risk of loss from unfavourable political developments, currency fluctuations, social instability and changes in government policies on such matters as expropriation, authorisations, international ownership, interest-rate caps, limits on dividend flows and tax in the jurisdictions in which the Bank operates.

European states are experiencing heightened political tension, reflecting concerns over migration, fears of terrorism and the possibility that the United Kingdom ("**UK**") may vote to exit the EU following a referendum due to take place on 23 June 2016. An exit could have a significant impact on UK, European and global macroeconomic conditions, as well as substantial political ramifications.

In the Middle East, the intervention of Russia and the rise of the terrorist group, Daesh, has added to an already complex and divisive civil war in Syria and further destabilised Iraq. The lifting of sanctions following a deal between Iran and the five permanent members of the UN Security Council and the country's nuclear programme has done little to calm regional tensions. Conflict in Ukraine has continued, despite a ceasefire agreement being signed in early 2015.

In Asia, territorial disputes between Japan and mainland China and other states have strained diplomatic relations and are testing the resolve of the United States of America ("**US**") to defend freedom of navigation.

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

The Bank may suffer adverse effects as a result of the interaction between market perceptions surrounding mainland China's slowdown, the course of global monetary policies, economic conditions in the eurozone and damage from plummeting oil prices, all of which may result in further capital outflows from emerging markets

Economic conditions in the eurozone continue to be uncertain. Any default on the sovereign debt of Greece or any eurozone nation and the resulting impact on other eurozone countries could have a material adverse effect on the Bank, including (a) significant market dislocation, (b) heightened counterparty risk and (c) an adverse effect on the management of market risk.

Moreover, a significant number of financial institutions throughout Europe have substantial exposures to sovereign debt issued by eurozone nations that are under severe financial stress. Should any of those nations default on their debt or experience a significant widening of credit spreads, major financial institutions and banking systems throughout Europe could be destabilised, resulting in, among other things, significant disruptions in financial activities.

Any significant changes in UK government policies or political structure could have an impact on the Bank's business. Uncertainty over the forthcoming EU referendum, which will be held in the UK on 23 June 2016, could worsen global market conditions. The outcome of this referendum or any other major UK political developments could create a period of economic uncertainty and affect the fiscal, monetary and regulatory landscape to which the Bank is subject.

Market confidence in mainland Chinese growth and the adequacy of policymaking is waning, causing heightened volatility. The authorities have to find a difficult balance between socio-economic stability and the pursuit of financial system liberation. A scenario where the government includes a sharp devaluation in a package of measures to stimulate the economy could prompt large capital outflows and have a negative knock-on impact on the world economy.

With regard to the US Federal Reserve Board ("**FRB**")'s monetary policy, the prevailing market view is that a course of gradually tightening monetary policy will be pursued against the backdrop of subdued inflation. Should the FRB instead tighten monetary policy more quickly, the consequent realignment of market expectations would likely accelerate capital outflows from emerging markets. Alternatively, the FRB could be forced by poor economic performance into a policy reversal, which would increase market volatility.

Oil prices have fallen precipitously since mid-2014 as a result of increasing uncertainty surrounding the mainland Chinese economy as well as the backdrop of an oversupplied oil market. Consequently, any recovery in oil prices may be gradual. This may complicate policymakers' tasks of raising inflation, and could potentially threaten the stability of some oil-exporting countries.

In 2015, emerging markets experienced net capital outflows for the first time since 1988, with several major currencies at decade-plus lows against the US dollar and global corporate defaults at the highest since 2009. 2016 could see an intensification of these trends and the appearance of stress in a wide array of credit segments, particularly if monetary policy is tightened quickly, sentiment regarding China worsens and oil prices fail to recover. Whilst Europe is less exposed to these factors than some other regions, some contagion is expected to continue through 2016.

Unfavourable market conditions and global monetary policies could have a material adverse effect on the Bank's business, its financial condition, results of operations and prospects.

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

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

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

Failure of the Bank's parent company or any of the Bank's affiliates to implement and adhere to its obligations under the deferred prosecution agreement could have a material adverse effect on the Bank's results and operations.

An independent compliance monitor ("**the Monitor**") was appointed in 2013 under the 2012 agreements entered into with the US Department of Justice ("**DoJ**") and the UK Financial Conduct Authority ("**FCA**") to produce annual assessments of the effectiveness of the HSBC Group's anti-money laundering ("**AML**") and sanctions compliance programme. Additionally, the Monitor is serving as the HSBC Group's independent consultant under the consent order of the FRB. HSBC Bank USA, National Association ("**HSBC Bank USA**") is also subject to an agreement entered into with the Office of the

Comptroller of the Currency (the "**OCC**") in December 2012, the Gramm-Leach-Bliley Act **(**"**GLBA**"**)** Agreement and other consent orders. In January 2016, the Monitor delivered a second annual follow-up review report as required by the US deferred prosecution agreement ("**US DPA**"). The Monitor's report is discussed on page 20 of the 2015 Annual Report and Accounts.

The design and execution of AML and sanctions remediation plans are complex and require major investments in people, systems and other infrastructure. This complexity creates significant execution risk, which could affect HSBC Group's ability to effectively identify and manage financial crime risk and remedy AML and sanctions compliance deficiencies in a timely manner. This could, in turn, impact the HSBC Group's ability to satisfy the Monitor or comply with the terms of the US DPA and related agreements and consent orders, and may require HSBC Group to take additional remedial measures in the future.

Under the terms of the US DPA, upon notice and an opportunity to be heard, the DoJ has sole discretion to determine whether HSBC Holdings plc ("**HSBC Holdings**") has breached the US DPA. Potential consequences of breaching the US DPA could include the imposition of additional terms and conditions on HSBC Holdings, an extension of the agreement, including its monitorship, or the criminal prosecution of HSBC Holdings, which could, in turn, entail further financial penalties and collateral consequences.

Breach of the US DPA or related agreements and consent orders could have a material adverse effect on the HSBC Group's business, financial condition and results of operations, including loss of business and withdrawal of funding, restrictions on performing dollar-clearing functions through HSBC Bank USA or revocation of bank licences. Even if HSBC Holdings is not determined to have breached these agreements, but the agreements are amended or their terms extended, HSBC Group's, including the Bank's business, reputation and brand could suffer materially.

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

In December 2013, the Financial Services (Banking Reform) Act 2013 ("**Banking Reform Act**") received Royal Assent. It implements the recommendations of the Independent Commission on Banking ("**ICB**") and of the Parliamentary Commission on Banking Standards and, among other things, establishes a framework for 'ring-fencing' retail banking activities of UK banks from their wholesale banking activities, including trading activities. Other provisions of the Banking Reform Act have been implemented in the UK through secondary legislation. The Prudential Regulation Authority (the "**PRA**") has finalised the first phase of the rules on UK ring-fenced banks, covering legal structures, governance and operations. The PRA has also published a consultation on the second phase of ring-fencing rules in relation to prudential requirements, intra-group arrangement and use of financial market infrastructure. Finalised rules are expected to be published in the second half of 2016, with the implementation of ring-fencing in 2019.

Material changes to the corporate structure and business activities conducted in the UK by the Bank are expected to be required as a result of this ring-fencing legislation. In March 2015, the HSBC Group announced it would restructure its UK banking operations through the creation of a separate ring-fenced retail bank to be headquartered in Birmingham ("**HSBC UK**"). The restructuring is expected to involve the transfer from the Bank to HSBC UK of qualifying components of the Bank's UK Retail Banking and Wealth Management ("**RBWM**"), Commercial Banking ("**CMB**") and Global Private Banking ("**GPB**") businesses. The Bank's Global Banking and Markets ("**GB&M**") business is expected to remain in the Bank, which will continue to be the issuer of long-term debt, including the Securities. This ring-fencing plan is subject to PRA and FCA approvals.

Considerable uncertainty remains over the likely cost of implementing these plans at this time, although the Bank expects it to be material. In addition to the restructuring costs, which are expected to be borne by the Bank, the Bank will have a reduced balance sheet, including a reduction in risk-weighted assets, and a reduced and potentially more volatile revenue stream. Although not currently anticipated, these structural changes could result in changes to the Bank's credit rating and increases in the Bank's cost of funding, which may have a material adverse effect on the Bank's business, its financial condition, results of operations and prospects, as well as on the market value of the Securities.

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

In January 2014, the European Commission (the "**EC**") published legislative proposals for a regulation on structural measures to improve the resilience of the European banking sector which will, if they come into force, prohibit proprietary trading in financial instruments and commodities by any member of the HSBC Group, and may require certain trading activities, such as market-making, complex derivatives trading and securitisation operations, to be undertaken in a separate subsidiary (the "**trading entity**") from that which undertakes deposit taking activities (the "**core credit institution**"). The proposals include rules governing the economic, legal, governance and operational separation of the trading entity and the core credit institution. The EC's proposals are currently subject to discussion in the European Parliament and the Council of Ministers (representing the EU member states) and the implementation date for any separation under the final rules would depend on the date on which the final legislation is agreed.

The EC's proposals allow for derogation from the requirement for the above mentioned trading activities to be undertaken in a separate trading entity for super-equivalent national regimes. However, it is currently not known whether derogations, if permitted by the regulation as enacted, would be granted to enable the Bank, and certain of its subsidiaries that operate outside of the UK in countries with their own national regimes, such as HSBC France, to avoid multiple and potentially conflicting ring-fencing regimes. The relationship between EC proposals and the UK and other national proposals has still to be clarified (as does the interaction between these proposals and Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its final implementing rules (collectively, the "**Volcker Rule**").

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

The Securities will be subject to the applicable bank resolution powers.

The EU Bank Recovery and Resolution Directive (Directive 2014/59/EU) (the "**Bank Recovery and Resolution Directive**" or "**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 (the "**Banking Act**") implements the provisions of the BRRD.

The Securities and the Bank will be subject to the statutory intervention powers contemplated by the Banking Act.

The Bank 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 Bank of England, the Prudential Regulation Authority and/or the United Kingdom Financial Conduct Authority (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 Bank), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the Bank of England; (b) override any default provisions, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

The Securities will be subject to the write-down and conversion of capital instruments and conversion power and/or the bail-in power under the Banking Act.

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" power and a "bail-in" power.

The write-down and conversion of capital instruments 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 is required (however the use of the write-down power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down effected using this power must reflect the insolvency priority of the written-down claims – thus common equity must be written off in full before subordinated debt is affected. Where the write-down and conversion of capital instruments power is used, the write-down is permanent and investors receive no compensation (save that common equity tier 1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments power is not subject to the "no creditor worse off" safeguard.

The bail-in power 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, 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) eligible senior claims. As a result, subordinated Securities which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate such Securities to the Bank's other subordinated indebtedness that is not additional tier 1 or tier 2 capital. The 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.

Although the exercise of 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 Bank or not directly related to the Bank) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Bank 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 Bank'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 Bank and its securities.

The Bank will be subject to the relevant UKRA's powers to direct the restructuring of the Group.

As well as a write-down and conversion of capital instruments 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 (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 Bank (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 Bank's ability to satisfy its obligations under the Securities.

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

The Bank faces significant legal and regulatory risks in its business. See "*—Macro-prudential, regulatory and legal risks to the Bank's business model—Failure of the Bank's parent company or any of the Bank's affiliates to implement and adhere to its obligations under the deferred prosecution agreement could have a material adverse effect on the Bank's results and operations" and* "*—Macro-prudential, regulatory and legal risks to the Bank's business model— Unfavourable legislative or regulatory developments, or changes in the policy of regulators or governments could materially adversely affect the Bank"*. The volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial institutions are increasing for many reasons, including a substantial increase in the number of regulatory changes taking place globally, increased media attention and higher expectations from regulators and the public. In addition, criminal prosecutions of financial institutions for, among other alleged conduct, breaches of AML and sanctions 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.

For example, various tax administration, regulatory and law enforcement authorities around the world, including Argentina, Belgium, France, India and Switzerland are conducting investigations and reviews of HSBC Private Bank (Suisse) SA ("**HSBC Swiss Private Bank**"), the Bank's sister company, in connection with allegations of tax evasion or tax fraud, money laundering and unlawful cross border banking solicitation. In the United Kingdom, the FCA is in correspondence with the Bank and HSBC Holdings in relation to HSBC Swiss Private Bank. HSBC Swiss Private Bank has been placed under formal criminal examination by magistrates in both Belgium and France. In February 2015, the HSBC Group was informed that the French magistrates are of the view that they have completed their investigation with respect to HSBC Swiss Private Bank and have referred the matter to the public prosecutor who has submitted a recommendation on any potential charges to be brought, whilst reserving the right to continue investigating other conduct at the HSBC Group. In addition, in April 2015, HSBC Holdings was informed that it has been placed under formal criminal investigation by the French magistrates in connection with the conduct of HSBC Swiss Private Bank in 2006 and 2007 for alleged tax-related offences, and a EUR 1 billion bail was imposed. HSBC Holdings appealed the magistrates' decision and, in June 2015, bail was reduced to €100 million. The ultimate financial impact of this matter could differ significantly, however, from the bail amount of €100 million.

Any prosecution of HSBC Holdings or one or more of its subsidiaries could result in substantial fines, penalties and/or forfeitures and could have a material adverse effect on the Bank's business, financial condition, results of operations, prospects and reputation, including the potential loss of key licences, requirement to exit certain businesses and withdrawal of funding from depositors and other stakeholders.

Additionally, the Bank continues to be subject to a number of material legal proceedings, regulatory actions and investigations (see Note 37 ("Legal proceedings and regulatory matters") on pages 173 to 178 of the 2015 Annual Report and Accounts for further details). It is inherently difficult to predict the outcome of many of the legal, regulatory and other adversarial proceedings involving the Bank's businesses, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Moreover, the Bank may face additional legal proceedings, investigations or regulatory actions in the future (including criminal), including in other jurisdictions and/or with respect to matters similar to, or broader than, the existing legal proceedings, investigations or regulatory actions.

An unfavourable result in one or more of these proceedings could result in the Bank incurring significant expense, substantial monetary damages, loss of significant assets, other penalties and injunctive relief, potential regulatory restrictions on the Bank's business and/or a negative effect on the Bank's reputation, any of which could have a material adverse effect on the Bank's business, its financial condition, results of operations and prospects.

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

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

The HSBC Group has been classified by the Financial Stability Board ("**FSB**") as a global systemically important bank ("**G-SIB**"). Therefore, it is subject to what the FSB refers to as a 'multi-pronged and integrated set of policies'. These include proposals that would place additional capital and Total Loss Absorbing Capacity ("**TLAC**") requirements on the HSBC Group and require enhanced reporting. In December 2015, the PRA confirmed that the HSBC Group is a designated global systemically important institution ("**G-SII**"), the EU equivalent of a G-SIB, subject to a 2.5% Common Equity Tier 1 capital buffer requirement from 2019 (to be phased in from 1 January 2016). Under the FSB Standard, G-SIBs such as the HSBC Group, will be required to meet a minimum TLAC requirement of at least 16% of the resolution group's RWAs from 1 January 2019 and at least 18% from 1 January 2022. Minimum TLAC must also be at least 6% of the Basel III leverage ratio denominator from January 2019 and at least 6.75% from 1 January 2022.

Separately, the BRRD introduces requirements for banks to maintain at all times a sufficient aggregate amount of own funds and 'eligible liabilities' (that is, liabilities that may be bailed in using the bail-in tool) known as the minimum requirement for own funds and eligible liabilities ("**MREL**"). The TLAC proposals from the FSB address many of the same issues. The BoE, as the UK resolution authority, plans to establish MREL as required under the BRRD. The BoE has issued a consultation paper on the application of MREL regulations as required by the EU, whilst at the same time considering their compatibility with the TLAC proposals. As a member of the HSBC Group, the Bank may be subject to a minimum TLAC requirement as well as an MREL requirement under BRRD. The extent to which the detail of the implementation may create issues remains uncertain.

More stringent regulatory requirements, including enhanced capital, liquidity and funding requirements and those governing the development of parameters applied in, and controls around, models used for measuring risk can give rise to changes that may adversely affect the Bank's business, including increases in capital requirements.

There may be changes in laws, rules or regulations, or in their interpretation or enforcement, or in how new laws, rules or regulations are implemented. Further, there may be uncertainty and lack of international regulatory coordination as enhanced supervisory standards are developed and implemented. These developments are expected to continue to change the way in which the Bank is regulated and supervised and could affect the manner in which the Bank conducts its business activities, manages its capital requirements, assesses its risk management practices, or how the HSBC Group is structured; which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank may fail to comply with all applicable regulations, particularly any changes thereto

Authorities in many jurisdictions have the power to bring administrative or judicial proceedings against the Bank which could result in, among other things, the suspension or revocation of the Bank's licences, cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action.

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

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

- the introduction of the EU Capital Requirements Directive and Regulation ("**CRD IV**") which implements in the EU the Basel III measures, the publication by the PRA of its final rules on implementing CRD IV, each of which relates to the quality and quantity of capital that eurozone banks must hold. Despite the rules published to date, there remains continued uncertainty as to the amount of capital that UK banks will be required to hold. In particular, in December 2015, the FPC published its view of the capital framework as applicable to UK banks, which sets out expectations in relation to Tier 1 capital across the industry. However, requirements applicable to individual banks are subject to PRA determination under the PRA's Pillar 2 framework. While there is emerging clarity around the interaction of the capital buffers and the PRA's Pillar 2 framework, uncertainty remains around the broader capital framework including Basel revisions to the risk weighted assets ("**RWA**") framework and capital floors. Furthermore, there remains a number of draft and unpublished European Banking Authority ("**EBA**") technical and implementation standards due in 2016 that will potentially impact the Bank's capital position and RWAs. The EBA's discussion paper "Future of the IRB Approach" published in March 2015 outlines a programme of risk-based model related activity that will have potential impacts on the Bank's RWA calculations. The timetable for the implementation of these changes has recently been extended out to 2020 (as outlined in an EBA "Opinion" on this topic published in February 2016);

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

- the increasing focus by regulators on how institutions conduct business, particularly with regard to the delivery of fair outcomes for customers and orderly/transparent markets, 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 imposed under CRD IV and UK regulations and increasing requirements to detail management accountability within the Bank to meet the requirements of the Senior Managers' Regime in the UK (including the continued focus in the UK on the progress being made in implementing wider recommendations made by the Parliamentary Commission on Banking Standards on matters relating to institutional 'culture', employee conduct and obligations more generally such as whistleblowing);

- changes in the regime for the operation of capital markets, including the introduction of central clearing, reporting and margin requirements through the EU's European Market Infrastructure Regulation ("**EMIR**") and the revised Markets in Financial Instruments Directive/Regulation;

- full implementation of the Basel Committee on Banking Supervision (the "**Basel Committee**") revised market risk framework published in January 2016 and the potential impact the measures proposed therein will have on the Bank's RWA calculations and capital position;

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

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

- the tightening by regulators in a number of countries of credit controls on mortgage lending and unsecured portfolios;

- the continued focus of competition law enforcement agencies at national and European level on the financial sector when enforcing laws against anticompetitive practices (including, in the UK, the FCA and the Payment Systems Regulator becoming competition law enforcers for the first time as of 1 April 2015). 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; and

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

Regulators and governments also continue to focus on the ways in which business is conducted. Relevant regulatory initiatives in the UK include the FCA's 'Retail Distribution Review' and the FCA's 'Mortgage Market Review', the FCA's plans announced in February 2015 to launch its first wholesale market study into investment and corporate banking to assess whether competition in the sector is working properly, changes to the consumer credit regime and an ever greater focus by the Bank's regulators on conduct risk, including in relation to sales processes and incentives, product and investment suitability and conduct of business concerns more generally.

There remains uncertainty regarding the details and timing of some of these reforms and the effect they will ultimately have on the Bank. The regulatory focus was concerned originally with the conduct of business with retail customers but is now widening to include wholesale customers. The markets currently under review include: personal current accounts and small and medium-sized enterprise ("**SME**") banking services; consumer cash savings; consumer credit cards; asset management; investment and corporate banking; mortgages; indirect access to payment systems; and ownership of payment system infrastructure. In conjunction with this focus, the UK regulators are making increasing use of existing and new powers of intervention and enforcement, including powers to consider past business undertaken and to implement customer compensation and redress schemes or other potentially significant remedial work. Moreover, dealing with regulatory investigations into the effective functioning of competition will continue to place very significant burdens on the Bank's resources. Regulators have extensive powers to intervene to force change following such investigations, which in principle could extend to forcing structural change on the industry (for example, by mandating divestments of all or parts of a business), introducing price or tariff regulation, or forcing other changes to business models or business conduct.

Additionally, UK and other regulators may increasingly take action in response to customer complaints either specific to an institution or more generally in relation to a particular product. The Bank has seen recent examples of this approach in the context of the possible mis-selling of payment protection insurance ("**PPI**"), of interest rate derivative products to SMEs and of wealth management products. The Financial Ombudsman Service in the UK and/or any court decisions in relation to customer complaints (or any overseas equivalent that has jurisdiction) could also be applied to a wider class or grouping of customers or products, such as the decision of the UK Supreme Court applying the unfair relationship provisions of the UK Consumer Credit Act to the non-disclosure of commissions in connection with the sale of PPI. Moreover, the UK government and governments of other jurisdictions, the Bank's regulators in the UK, the EU or elsewhere, may intervene further in relation to areas of industry risk already identified, or in new areas.

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

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

Given the focus of regulators on the conduct of business (including incentive structures, remuneration and product governance and sales processes), there is a significant risk that the UK and other regulators may identify future industry-wide mis-selling, market misconduct or other issues that could affect the Bank. Such focus on the conduct of business, as well as on management accountability, may affect the industry in areas such as employee recruitment and retention, product pricing and profitability in both retail and wholesale markets. This may lead to: (i) significant direct costs or liabilities (including in relation to mis-selling or improper activities); and (ii) changes in the practices of the Bank's businesses.

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

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

The Bank is subject to regulatory stress testing in many jurisdictions. These exercises are designed to assess the resilience of banks to 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 Bank's data provision, stress testing capability and internal management processes and controls.

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

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

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

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

The delivery of the Bank's strategic actions is subject to execution risk.

At the HSBC Group's Investor Update in June 2015, the HSBC Group set out 10 strategic actions to be completed by 2017. Nine of these are business-led initiatives, while one is expected to be completed by HSBC Holdings' board of directors. The work required to execute these actions is substantial. Alongside the strategic actions, the Bank continues to implement a number of externally driven regulatory programmes. The magnitude and complexity of the projects required to meet these demands has resulted in heightened execution risk. The cumulative impact of the collective change initiatives underway within the HSBC Group is significant and has direct implications on resourcing. A failure to successfully complete any strategic actions or other regulatory programmes could have a significant impact on the Bank's business, financial condition, results of operations and prospects.

These factors could adversely affect the successful delivery of the Bank's strategic priorities, as well as have both adverse financial and reputational implications, all of which could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank may fail to increase the cross-selling and/or business synergies required to achieve its growth strategy

Increasing the number of HSBC Group's products held by the Bank's customers through cross-selling and driving business synergies across its global businesses is key to the HSBC Group's ability to grow revenue and earnings, particularly in the current environment of slow economic growth and regulatory reform initiatives. In Retail Banking and Wealth Management, many of HSBC Group's competitors also focus on cross-selling, notably in retail banking and investment products and mortgage lending. A key opportunity to drive business synergies arises between Commercial Banking and Global Banking and Markets, which is an area where many of its competitors also focus. In both instances, this may limit the Bank's ability to cross-sell additional products to its customers or may influence it to sell its products at lower prices, reducing its net interest income and revenue from its fee-based products. It could also affect the Bank's ability to retain existing customers. Failure to deliver cross-selling and/or business synergies required to achieve its growth strategy could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank operates in markets that are highly competitive.

The Bank competes with other financial institutions in a highly competitive industry that is undergoing significant changes as a result of financial regulatory reform and increased public scrutiny stemming from the financial crisis and continued challenging economic conditions.

The Bank targets internationally mobile clients who need sophisticated global solutions and generally compete on the basis of the quality of the Bank's customer service, the wide variety of products and services that the Bank can offer its customers and the ability of those products and services to satisfy the Bank's customers' needs, the extensive distribution channels available for the Bank's customers, the Bank's innovation, and its reputation. Continued and increased competition in any one or all of these areas may negatively affect the Bank's market share and/or cause the Bank to increase its capital investment in its businesses in order to remain competitive. Additionally, the Bank'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 Bank'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 the Bank's 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 Bank 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 Bank to spend more to modify or adapt its products to attract and retain customers. The Bank may not respond effectively to these competitive threats from existing and new competitors, and the Bank 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 the Bank's customers' needs.

As a result, continued or increased competition could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

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

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

Operational risks are inherent in the Bank's business.

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

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

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

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

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

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

The Bank places reliance on third-party firms for the supply of goods and services or outsourcing of certain activities. There has been increased scrutiny by global regulators of the use by financial institutions of third-party service providers, including how outsourcing decisions are made and how the key relationships are managed. Risks arising from the use of third-party service providers may be less transparent and therefore more challenging to manage or influence. The risk of inadequate management of risks associated with the use of significant third-party service providers could lead to a failure to meet the Bank's operational and business requirements, which in turn may involve regulatory breaches, financial crime, loss of confidential information, civil or monetary penalties or damage both to shareholder value and to the Bank's reputation/brand image. Any such failure could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

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

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

The Bank is increasingly exposed to fraudulent and criminal activities as a result of increased usage of internet and mobile services by customers. The Bank also faces the risk of breakdowns in processes or procedures and systems failure or unavailability, and its business is subject to disruption from events that are wholly or partially beyond its control, such as internet crime and acts of terrorism.

Critical system failure, any prolonged loss of service availability or any material breach of data security, particularly involving confidential customer data, could cause serious damage to the Bank's ability to service its clients, could breach regulations under which the Bank operates and could cause long-term damage to the Bank's business and brand that could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

Cyber and information security incidents are routinely monitored for and investigated. In most instances these are not significant and are managed within normal operating processes.

However, the Bank remains susceptible to a wide range of cyber risks that impact and/or are facilitated by technology. The threat from internet crimes and cyber-attacks is a concern for the Bank's organisation and failure to protect the Bank's operations from future internet crime or cyber-attacks may result in financial loss and/or loss of customer data or other sensitive information, which could undermine the Bank's reputation and its ability to attract and keep customers. They may also lead to potentially large costs to rectify any issues and reimburse losses incurred by customers.

Moreover, during 2015, the HSBC Group was subjected to 23 'denial of service' attacks on its external facing websites across the HSBC Group. A denial of service attack is the attempt to intentionally disrupt, paralyse and potentially extract data from a computer network by flooding it with data sent simultaneously from many individual computers. Further 'denial of service' attacks in early 2016 have underscored the continuing risks arising from increasingly sophisticated attempts to attack the HSBC Group's online services.

Although the cyber-attacks in 2015 and early 2016 have had a negligible effect on the Bank's customers, services or firm, future cyber-attacks could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank may not be able to meet regulatory requests for data.

The volume, granularity, frequency and scale of regulatory and other reporting requirements necessitate a clear data strategy to enable consistent data aggregation, reporting and management. Inadequate management information systems or processes, including those relating to risk data aggregation and risk reporting, could lead to a failure to meet regulatory reporting requirements or other internal or external information demands, which could lead to fines or other regulatory action. In particular, financial institutions that fail to comply with the principles for effective risk data aggregation and risk reporting as set out by the Basel Committee by the required deadline may face supervisory measures. Any such fines or other regulatory action could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank's operations have inherent reputational risk.

Reputational risk is the risk of failure to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Bank, its employees or those with whom it is associated, that might cause stakeholders to form a negative view of the Bank and the HSBC Group. This may result in financial or non-financial impacts, loss of confidence or other consequences.

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

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

The Bank's businesses are exposed to risk from potential non-compliance with regulations and policies, including the "**HSBC Values**" (the HSBC Values describe how the Bank's employees should interact with each other and with customers, regulators and the wider community, see page 2 of the 2015 Annual Report and Accounts for further details) and related behaviours, and employee misconduct, such as fraud or negligence, all of which could result in regulatory sanctions 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 Bank takes to prevent and detect this activity may not always be effective. Any manifestation of this risk could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

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

The demands being placed on the human capital of the Bank are unprecedented. The cumulative workload arising from a regulatory reform programme that is often extra-territorial and still evolving is hugely consumptive of human resources, placing increasingly complex and conflicting demands on a workforce where the required expert capabilities are in short supply and globally mobile.

Moreover, certain regulatory changes may affect the Bank's ability to attract and/or retain employees. For example, changes in remuneration policy and practice resulting from the new regulations under CRD IV apply globally to all employees of EU headquartered banks. The key change is the application of a cap on variable pay that can be paid to any "**material risk-taker**" (being employees who have been identified as having a material impact on the institution's risk profile). This presents significant challenges given that, as a worldwide business, a significant number of the Bank's material risk-takers are based outside the EU. In addition, the policy statement issued by the PRA extends its Remuneration Code to require all PRA-authorised firms to apply clawback to vested/paid variable remuneration on an HSBC Group-wide basis for any material risk takers receiving variable pay from 1 January 2015. Furthermore, the PRA and FCA have introduced in the UK the Senior Managers and Certification regimes and the related Rules of Conduct (the detail of which is currently subject to consultation), which are intended to set clearer expectations of the accountabilities and behaviour of both senior and more junior employees. However, there are a number of uncertainties around the precise impact of these regimes at present (including on more senior employees, on non-UK based employees and on non-executive directors)

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

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

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

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

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

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

The Bank uses models for a range of purposes in managing its business, including regulatory and economic capital calculations, stress testing, granting credit, pricing and financial reporting, including the valuation of financial instruments measured at fair value, as explained under "*—Risks related to the Bank's business operations, governance and internal control systems including compliance—The Bank's financial statements are based in part on judgments, estimates and assumptions that are subject to uncertainty*." The Bank could face adverse consequences as a result of decisions, which 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.

In addition, supervisory concerns over the internal models and assumptions used by banks in the calculation of regulatory capital have led to the imposition of risk weight and loss given default floors, which has the potential to increase the Bank's capital requirement.

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

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

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

Certain US subsidiaries of HSBC Holdings have entered into a consent cease-and-desist order with the OCC and a similar consent order with the FRB which requires the implementation of improvements to compliance procedures regarding obligations under the Bank Secrecy Act, the FCA Direction and AML rules. These consent orders do not preclude additional enforcement actions by bank regulatory, governmental or law enforcement agencies or private litigation. A number of the remedial actions taken or being taken as a result of the matters to which the US DPA relates are intended to ensure that the HSBC Group's businesses are better protected in respect of these risks. However, there can be no assurance that the steps that continue to be taken to address the requirements of the US DPA will be completely effective. Breach of the US DPA or related agreements and consent orders could have a material adverse effect on the Bank's business, financial condition and results of operations, including loss of business and withdrawal of funding, restrictions on performing dollar-clearing functions through HSBC Bank USA or revocation of bank licenses in relevant situations and where permitted by regulation, the Bank may rely upon certain counterparties to maintain and properly apply their own appropriate AML procedures. While permitted by regulation, such reliance may not be effective in preventing third parties from using the Bank (and the Bank's relevant counterparties) as a conduit for money laundering, including illegal cash operations, without the Bank's (and its relevant counterparties') knowledge. Becoming a party to money laundering, association with, or even accusations of being associated with, money laundering will damage the Bank's reputation and could make it subject to fines, sanctions and/or legal enforcement (including being added to 'blacklists' that would prohibit certain parties from engaging in transactions with the Bank). Any one of these outcomes could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

The Bank has significant exposure to counterparty risk.

The Bank is exposed to counterparties that are involved in virtually all major industries, and the Bank 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 Bank to credit risk in the event of default by its counterparty or client. The Bank's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions. Financial institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships. As a consequence, a default by, or decline in market confidence in, individual institutions, or anxiety about the financial services industry generally, can lead to further individual and/or systemic difficulties, defaults and losses.

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

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

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

The Bank is subject to risks associated with market fluctuations.

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

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

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

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

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

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

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

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

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

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

Credit ratings affect the cost and other terms upon which the Bank is able to obtain market funding. Rating agencies regularly evaluate the Bank and certain of its subsidiaries, as well as their respective debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Bank or of the relevant entity, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Bank's or the relevant entity's current ratings or outlook.

Any reductions in these ratings and outlook could increase the cost of the Bank's funding, limit access to capital markets and require additional collateral to be placed and, consequently, materially adversely affect the Bank's interest margins and/or the Bank's liquidity position, which in turn could have a material adverse effect on the Bank's business, financial condition, results of operations and prospects.

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

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

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

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

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

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

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

DOCUMENTS INCORPORATED BY REFERENCE

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

- the 2015 Annual Report and Accounts of HSBC Bank plc (the "**Bank**") and its subsidiary undertakings for the year ended 31 December 2015 submitted to and filed with the UK Listing Authority (the "**2015 Annual Report and Accounts**") and the additional financial information document in relation to the year ended 31 December 2015 submitted to and filed with the UK Listing Authority (the "**2015 Additional Information**"). The 2015 Additional Information is additional financial information, which is intended to be read in conjunction with the 2015 Annual Report and Accounts, but which is not required to be included in the 2015 Annual Report and Accounts by either the UK Companies Act 2006 (the "**Companies Act**") or by International Financial Reporting Standards. It includes commentary on the results of the Bank and its subsidiaries (the "**Group**") in 2014 versus 2013 and certain statistics and other information. The 2015 Additional Information was published by the Bank together with the 2015 Annual Report and Accounts; and

- the 2014 Annual Report and Accounts of the Bank and its subsidiary undertakings for the year ended 31 December 2014 submitted to and filed with the UK Listing Authority (the "**2014 Annual Report and Accounts**") and the additional financial information document in relation to the year ended 31 December 2014 submitted to and filed with the UK Listing Authority (the "**2014 Additional Information**"). The 2014 Additional Information is additional financial information, which is intended to be read in conjunction with the 2014 Annual Report and Accounts, but which is not required to be included in the 2014 Annual Report and Accounts by either the Companies Act or by International Financial Reporting Standards. It includes commentary on the results of the Group in 2013 versus 2012 and certain statistics and other information. The 2014 Additional Information was published by the Bank together with the 2014 Annual Report and Accounts.

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

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

IMPORTANT NOTICES

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

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

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

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

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

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

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

HSBC BANK PLC AND ITS SUBSIDIARY UNDERTAKINGS

*All references in this section of the Registration Document to "**Bank**" and "**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 Bank

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

Legislation

The Bank is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, the Financial Services and Markets Act 2000, as amended ("**FSMA**"), for the purposes of which the Bank is an authorised person carrying on the business of financial services provision. In addition, as a public limited company, the Issuer is subject to the Companies Act 2006.

Principal activities and markets

The Bank and its subsidiary undertakings (the "**Group**") is a UK-based group, which provides a comprehensive range of banking and related financial services.

The Bank manages its products and services through its four businesses: Retail Banking and Wealth Management, Commercial Banking, Global Banking and Markets and Global Private Banking.

Retail Banking and Wealth Management ("**RBWM**") serves customers through four main business areas: Retail Banking, Wealth Management, Asset Management and Insurance. It takes deposits and provides transactional banking services to enable customers to manage their day to day finances and save for the future. The Group offers credit facilities to assist customers in their short or longer term borrowing requirements, provides financial advisory, broking, insurance and investment services to customers to help customers manage and protect their financial future. Since 2012, RBWM has taken numerous actions to improve the way it conducts its business. It has removed the formulaic link between product sales and remuneration, paying all staff on a discretionary basis including assessment of their behaviour and the satisfaction of its customers. RBWM has reduced its product range, reviewed the fairness of its product features and pricing, and enhanced the way it monitors sales quality. RBWM provides services to individuals under the HSBC Premier and Advance propositions, targeted at mass affluent and emerging affluent customers who value international connectivity. For customers who have simpler everyday banking needs, RBWM offers a full range of banking products and services reflecting local requirements. RBWM makes a significant contribution to the overall success of the HSBC Group. Insurance and Asset Management provides services to clients across all of the global businesses; and the foreign exchange and wealth management needs of RBWM clients create opportunities for the Global Banking and Markets ("**GB&M**").

Commercial Banking ("**CMB**") supports the Group's customers with tailored financial products and services to allow them to operate efficiently and to grow. CMB provides working capital, term loans, payment services and international trade facilitation. It offers the Group's customers expertise in mergers and acquisitions, and provides access to financial markets. CMB's customers range from small enterprises focused primarily on their domestic markets, through to large corporates operating nationally, regionally and globally. CMB is at the centre of creating revenue synergies within the HSBC Group. For instance, CMB provides trade finance, working capital and liquidity management solutions to GB&M clients. It also provides capital finance expertise and insurance and asset management capabilities from across the group to benefit CMB clients.

GB&M supports corporate and institutional clients worldwide in achieving their long-term strategic goals through tailored and innovative solutions. Its deep sector expertise extends across transactional banking, financing, investments, advisory and risk management. To strengthen GB&M's relationship with clients and the services GB&M provides, GB&M uses independent benchmarking and internal programmes to regularly assess these relationships. GB&M's product specialists continue to deliver a comprehensive range of capital financing, advisory and transaction banking services. In 2015, GB&M enabled business synergies, recognising growth in a number of areas. For example, GB&M grew revenues from the sale of capital financing products sold to CMB clients.

Global Private Banking ("**GPB**") works closely with its clients to provide solutions to grow, manage and preserve wealth. Its products and services include: Investment Management, incorporating advisory, discretionary and brokerage services. GPB serves high net worth individuals with complex needs. It utilises and distributes its products within GB&M, CMB and RBWM, including asset management, research, insurance, trade finance and capital financing, to offer propositions to the Group's clients. Since 2011, GPB has taken significant steps to simplify and improve the way it conducts its business. GPB remains committed to implementing the most effective global standards, including customer due diligence, a tax transparency framework and financial crime compliance measures.

As at 31 December 2015, the Bank had 964 branches in the United Kingdom, and 13 branches in the Isle of Man and the Channel Islands. Outside the United Kingdom, the Group has branches in Armenia, Belgium, the Czech Republic, France, Germany, Greece, Hong Kong Special Administrative Region of the People's Republic of China, Ireland, Israel, Italy, Luxembourg, Malta, Netherlands, Poland, Russia, South Africa, Spain, Switzerland and Turkey.

The principal activities and markets of the Group are described in more detail on page 5 of the Annual Report and Accounts of the Group for the year ended 31 December 2015 (the "**2015 Annual Report and Accounts**") (incorporated by reference herein).

As at 31 December 2015, the Bank's principal subsidiary undertakings and their country of incorporation or registration were (see page 154 of the 2015 Annual Report and Accounts (incorporated by reference herein) for more information):

Name of Subsidiary	*Location*
HSBC France (99.99% owned)	France
HSBC Asset Finance (UK) Limited	England
HSBC Bank A.S.	Turkey
HSBC Bank International Limited	Jersey
HSBC Bank Malta p.l.c. (70.03% owned)	Malta
HSBC Invoice Finance (UK) Limited	England
HSBC Life (UK) Limited	England
HSBC Private Bank (UK) Limited	England
HSBC Private Bank (C.I.) Limited	Guernsey
HSBC Trinkaus & Burkhardt AG (80.65% owned)	Germany
HSBC Trust Company (UK) Limited	England
Marks and Spencer Retail Financial Services Holdings Limited	England

Organisational Structure

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

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

HSBC Holdings and the Group are one of the largest banking and financial services organisations in the world. Its international network of more than 4,700 branches in 71 countries and territories across five geographical regions: Europe; Asia; Middle East and North Africa; North America and Latin America. Its total assets as at 31 December 2015 were U.S. $2,409,656 million.

Trend Information

Global Gross Domestic Product ("**GDP**") growth is expected at 2.5 per cent. in 2016, an increase from the 2.4 per cent. growth rate in 2015. UK real GDP is expected to rise by 2.4 per cent. in 2016, up from an estimated 2.2 per cent. in 2015. Growth will continue to be led by private consumption, as investments are likely to further slow down due to uncertainties over the global environment and the UK's continued membership of the EU. Government consumption is likely to make a small positive contribution to GDP growth as fiscal austerity has been loosened relative to previous plans, however, weak net exports will continue to restrict growth. Consumer price inflation should increase to around 1 per cent. by year-end due to base effects, unless the global oil prices continue to decline. It is expected that the Bank of England will start raising interest rates in November 2016.

Eurozone growth in 2016 is expected to be broadly similar to 2015. The tailwinds from the renewed fall in oil prices and the improvements in the labour market will continue to boost consumer spending. Growth will also be supported in 2016 by a net fiscal expansion in the eurozone, the first for six years, due to Quantitative Easing ("**QE**") action. The government of Germany will be among the countries spending more, in part because of the costs related to the migration crisis that has been affecting EU countries since last year. Recovery should also spread to the housing markets, which are now starting to stabilise, including in countries such as France, Italy and Spain. Due to the latest fall in oil prices, inflation outlook remains subdued. However, with the recovery remaining on track and many technical and political constraints to an expansion of the QE programme, any further meaningful monetary expansion is not expected in 2016.

In Turkey, real GDP growth is expected to slow to 2.1 per cent. in 2016 for two reasons. Firstly, global growth and global trade cycle remain weak, exerting downwards pressure on Turkey's export performance. In addition, Russia recently announced that it would sanction certain Turkish imports in response to heightened political tension between the two countries. Secondly, subdued growth in private sector investments is expected as the balance sheets of Turkish corporates have become stretched. They have increased their hard currency leverage rapidly, which resulted in a sizeable short-FX position on their balance sheets. This vulnerability is putting a cap on firms' investment appetite. Average inflation of 8.3 per cent. in 2016 is expected. Low oil prices should help the inflation outlook, but the government's decision to raise the minimum wage by 30 per cent. will create price pressure.

Ratings

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

- AA- by Standard & Poor's Credit Market Services Europe Limited ("**S&P**"). This means that S&P is of the opinion that the Bank has a very strong capacity to meet its financial commitments;

- Aa2 by Moody's Investors Service Limited ("**Moody's**"). This means that Moody's is of the opinion that the Bank is judged to be of high quality and is subject to very low credit risk; and

- AA- by Fitch Ratings Limited ("**Fitch**"). This means that Fitch is of the opinion that the Bank poses expectations of very low credit risk, indicates very strong capacity for payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events.

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

- A-1+ by S&P. This means that S&P is of the opinion that the Bank's capacity to meet its financial commitments on its short-term obligations is strong.

- P-1 by Moody's. This means that Moody's is of the opinion that the Bank has a superior ability to repay short-term debt obligations; and

- F1+ by Fitch. This means that Fitch is of the opinion that the Bank has the strongest intrinsic capacity for timely payment of short-term financial commitments.

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

Management

Directors

The directors of the Bank, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in the Bank and their principal activities (if any) outside the Bank where these are significant with respect to the Bank are as follows (refer to page 82 of the 2015 Annual Report and Accounts (incorporated by reference herein) for more information):

Name	Nationality	Function	Other principal activities outside of the Bank
J Symonds**	British	Chairman	Independent non-executive Director, HSBC Holdings plc Chairman of the Group Audit Committee and a member of the Conduct and Values Committee Chairman of Innocoll AG and a non-executive director of Genomics England Limited and Proteus Digital Health Inc.
A P Simoes	Portuguese	Chief Executive Officer	Group Managing Director, HSBC Holding plc Director of HSBC France Member of the Banking Standards Board, and Chair of the Financial Conduct Authority ("**FCA**") Practitioner Panel
S Assaf	French	Director	Group Managing Director, HSBC Holdings plc Chief Executive, Global Banking and Markets, HSBC Holdings plc Chairman of Global Financial Markets Association and HSBC France, and a director of HSBC Trinkaus & Burkhardt AG. Chairman of Global Financial Markets Association
J Coyle**	British	Director	Director of Marks and Spencer Financial Services plc, Marks and Spencer Savings and Investments Limited and Marks and Spencer Unit Trust Management Limited. Non-executive Director of Scottish Building Society Member of the Financial Reporting Council's Financial Review Reporting Panel and Monitoring Committee Member of the Board and chairman of the Audit Committee of Honeycomb Investment Trust Plc
Dame Denise Holt**	British	Director	Director and Chairman of Marks and Spencer Financial Services plc, Marks and Spencer Savings and Investments Limited and Marks and Spencer Unit Trust Management Limited. Non-executive Director of Iberdrola SA and

Name	Nationality	Function	Other principal activities outside of the Bank
			Nuffield Health
S W Leathes**	British	Director	Member of the Supervisory Board and Risk Committee of HSBC Trinkaus & Burkhardt AG Member of Global Banking and Markets Audit and Risk Committee and Commercial Banking Risk Committee. Chairman of Assured Guaranty (Europe) Limited and Assured Guaranty (UK) Limited and a non-executive Director of Assured Guaranty Limited and HSB Engineering Insurance Limited
D Lister**	British	Director	Non-executive Director of CIS General Insurance, a mutual society, and Department for Work and Pensions Member of the Board of Governors at Nuffield Health
Dame Mary Marsh**	British	Director	Director of the Holts Academy of Jewellery Limited Member of the Governing Body of the London Business School.
R E S Martin**	British	Director	General Counsel and Company Secretary, Vodafone Group plc Member of the Financial Conduct Authority's Listing Group Advisory Panel
T B Moulonguet**	French	Director	Director of HSBC France and Chairman of its Audit Committee and a member of its Risk Committee Director of Fimalac, Groupe Lucien Barrière, Valéo and the Prodways Group
J F Trueman**	British	Deputy Chairman	Chairman of HSBC Asset Management Limited and HSBC Private Bank (UK) Limited Member of Global Banking and Markets Audit and Risk Committee

* Non-executive Director

** Independent non-executive Director

Management Committees

Executive Committee

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

Name	Function	Other principal activities outside the Bank
A P Simoes	Chief Executive Chairman of the Executive Committee	Group Managing Director, HSBC Holdings plc
C Allen	Head of Global Private Banking, UK and Channel Islands	-
J Beunardeau	Chief Executive, HSBC France	Group General Manager, HSBC Holdings plc
C Clark	Global Head of Marketing	Group General Manager, HSBC Holdings plc
C Davies	Chief Executive, International	-
J Emmett	Chief Executive Officer, HSBC Bank A.S., Turkey	Group General Manager, HSBC Holdings plc
R J H Gray	General Counsel, Europe	Group General Manager, HSBC Holdings plc
J-L Guerrero	Head of Global Banking and Markets, EMEA	Group General Manager, HSBC Holdings plc
T Harrison	Regional Head of Communications, EMEA	-
J Hackett	Chief Operating Officer, EMEA	-
A Hewitt	Head of Regulatory Compliance, EMEA	-
T Kapilashramii	Head of Human Resources, EMEA	Group General Manager, HSBC Holdings plc
M Lobner	Head of Strategy and Planning, EMEA and Chief of Staff to the Chief Executive Officer	-
F McDonagh	Head of Retail Banking and Wealth Management	Group General Manager, HSBC Holdings plc
P J Reid	Chief Risk Officer, EMEA	-
C G von Schmettow	Chief Executive Officer, HSBC Trinkaus & Burkhardt AG	
I Stuart	Head of Commercial Banking, Europe	Group General Manager, HSBC Holdings plc
D Watts	Chief Financial Officer, Europe	Chief Financial Officer, Global Commercial Banking
M Wogart	Head of Financial Crime Compliance, RBWM	-
N Hinshelwood	Chief Operating Officer, EMEA and Deputy Chief Executive Officer	Group General Manager, HSBC Holdings plc

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

Major Shareholders

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

Dividends

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

Year	Aggregate Dividends £(m)	Comments
2010	1,868	Including payments of (i) £41,377,680 under the Non-cumulative Third Dollar Preference Shares and (ii) £76,972,192 under issues of Perpetual Subordinated Debt which in 2010 for accounting purposes both qualified as equity.
2011	1,815	Including payments of (i) £41,066,959 under the Non-cumulative Third Dollar Preference Shares and (ii) £58,774,274 under issues of Perpetual Subordinated Debt which in 2011 for accounting purposes both qualified as equity.
2012	2,816	Including payments of £41,002,811 under the Non-cumulative Third Dollar Preference Shares.
2013	2,011	Including payments of £40,702,747 under the Non-cumulative Third Dollar Preference Shares.
2014	1,271	Including payments of £40,664,890 under the Non-Cumulative Third Dollar Preference Shares.
2015	1,024	Including payments of £43,021,503 under the Non-Cumulative Third Dollar Preference Shares.

On 25 February 2016, the Bank paid a cash dividend of £272 million to HSBC Holdings plc.

GENERAL INFORMATION

*All references in this section of the Registration Document to "**Bank**" and "**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 "**Bank**") prepares its consolidated financial statements in accordance with International Financial Reporting Standards.

2. There has been no significant change in the financial position of the Bank and its subsidiary undertakings (the "**Group**") nor any material adverse change in the prospects of the Bank since 31 December 2015.

3. Save as disclosed in Note 37 "*Legal proceedings and regulatory matters*" on pages 173 to 178 of the Annual Report and Accounts of the Group for the year ended 31 December 2015 (the "**2015 Annual Report and Accounts**") (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) during the 12 month period before the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Bank and/or the Group.

4. KPMG Audit Plc ("**KPMG**") Chartered Accountants of 15 Canada Square, London E14 5GL, United Kingdom has audited without qualification the Financial Statements contained in the Annual Report and Accounts of the Bank for the financial year ended 31 December 2014. A resolution to appoint PricewaterhouseCoopers LLP ("**PWC**") of 1 Embankment Place, London, WC2N 6RH, United Kingdom as auditor of the Issuer was proposed and passed at the Issuer's Annual General Meeting held on 28 April 2015. PwC has audited without qualification the financial statements contained in the Annual Report and Accounts of the Issuer for the financial year ended 31 December 2015.

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

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

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

   (a) the articles of association of the Bank;

   (b) the 2015 Annual Report and Accounts and the additional information document for the year ended 31 December 2015; and

   (c) the 2014 Annual Report and Accounts and the additional information document for the year ended 31 December 2014.

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

9. Generally, any notice, document or information to be sent or supplied by the Bank may be sent or supplied in accordance with the UK Companies Act 2006 (the "**Companies Act**") (whether authorised or required to be sent or supplied by, the Companies Act or otherwise) in hard copy form or in electronic form. If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Bank is unable effectively to convene a general meeting by notices sent through the post, subject to the Companies Act, a general meeting may be

convened by a notice advertised in at least one United Kingdom national newspaper. Such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day on which the advertisement first appears. In any such case the Bank shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

HEAD AND REGISTERED OFFICE OF THE ISSUER

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United Kingdom

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