REGISTRATION DOCUMENT DATED 13 APRIL 2018

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 "**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 competent authority in the United Kingdom, 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 the Issuer of debt or derivative 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.

HOW TO USE THIS REGISTRATION DOCUMENT

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

This Registration Document provides information about HSBC Bank plc (the "**Issuer**") and incorporates by reference the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2017, other than the section entitled "*Structural Reform*" on pages 16 to 18 of the Annual Report and Accounts (the "**2017 Annual Report and Accounts**"). The 2017 Annual Report and Accounts includes the latest publicly available financial information relating to the Issuer and its subsidiary undertakings (the "**Group**") and other information in relation to the Group, which is relevant to investors. This Registration Document (including such information incorporated by reference) contains information necessary for investors to make an informed assessment of the Issuer. Investors must read this Registration Document together with the 2017 Annual Report and Accounts. Where further information is provided in the 2017 Annual Report and Accounts on matters covered by this Registration Document, this is highlighted in this Registration Document.

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

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

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

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

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

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

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RISK FACTORS

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

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

The risk factors relating to the Issuer specified in this section "Risk Factors" do not comprise an exhaustive list or explanation of all risks relating to the Issuer which investors may face when making an investment in Securities issued by the Issuer and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that the Issuer 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 Issuer and, if any such risk should occur, the price of any Securities issued by the Issuer may decline and investors could lose all or part of their investment.

Risks Relating to the Issuer

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

Macroeconomic and geopolitical risk

The UK's withdrawal from the EU may adversely affect the Issuer's operating model and financial results.

The United Kingdom ("**UK**") electorate's vote and the exit agreement to leave the European Union ("**EU**") may have a significant impact on general macroeconomic conditions in the UK, the EU and globally. Negotiations of the UK's exit agreement, its future relationship with the EU and its trading relationships with the rest of the world will likely take a number of years to resolve. For example, even though in March 2018 the UK reached a provisional agreement with the EU on transitional arrangements following the UK's exit (which are intended to enable the UK to remain within the EU single market and customs union for a transitional period through 2020), this agreement still needs to be formally agreed as part of the withdrawal agreement currently under negotiation. It therefore remains possible that the transitional period may not be implemented, or may be implemented in a form in which the detail of the arrangements results in adverse effects on UK and/or EU financial markets. The nature of the negotiations in respect of the UK's exit may result in a prolonged period of uncertainty and market volatility until the UK's future relationship with the EU and the rest of the world is clearer. Given the time-frame and the complex negotiations involved, a clearer picture of the UK's future relationship with the EU and the rest of the world once it has exited the EU is not expected to emerge for some time.

Uncertainty as to the precise terms of these arrangements, and the future legal and regulatory landscape, may lead to unstable economic conditions, market volatility and currency fluctuations. Among other issues, the UK's future relationship with the EU may have implications for the future business model for the Issuer's London-based European cross-border banking operations, to the extent they rely on unrestricted access to the European financial services market. The current negotiating stance of the UK government could result in the loss of EU 'passporting rights' (that would require the Issuer to make use of alternative licensing arrangements for certain of its operations in EU jurisdictions), a discontinuation of the free movement of services and significant changes to the UK's immigration policy. In that event, meeting the Issuer's clients' needs following the UK's departure from the EU would likely require adjustments to its London-based European cross-border banking operations.

The Issuer may face certain challenges to its operations and operating model in connection with the UK's exit from the EU. For example, the Issuer's operating costs could increase and it could be forced to relocate some of its UK staff and businesses to other jurisdictions. Moreover, other challenges due to uncertain and at times volatile economic conditions, as described under "*Current economic and market conditions could materially adversely affect the Issuer*", could be exacerbated. The occurrence of any such events could have a material adverse effect on the Issuer's business, its financial condition and prospects, the results of the Issuer's operations and/or the Issuer's customers.

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

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

Uncertain and, at times, volatile economic conditions can create a challenging operating environment for financial services companies such as the Issuer. Challenging market conditions have historically resulted in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit and capital markets. Adverse market conditions have impacted investment markets globally, including adverse changes and increased volatility in interest rates and exchange rates, and decreased returns from equity, property and other investments. In particular, the Issuer may face the following challenges to its operations and operating model in connection with challenging market conditions:

- the demand for borrowing from creditworthy customers may diminish if economic activity slows or remains subdued;
- if interest rates begin to increase, consumers and businesses may struggle with the additional debt burden, which could lead to increased delinquencies and loan impairment charges;
- the Issuer's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption;
- market developments may depress consumer and business confidence beyond expected levels. If economic growth is subdued, for example, asset prices and payment patterns may be adversely affected, leading to greater than expected increases in the Issuer's delinquencies, default rates and loan impairment charges. However, if growth is too rapid, new asset valuation bubbles could appear, particularly in the real estate sector, with potentially negative consequences for financial institutions, such as the Issuer; and
- a rise in protectionism, including as may be driven by populist sentiment and structural challenges facing developed economies, which could contribute to weaker global trade, potentially affecting the Issuer's traditional lines of business. If capital flows are increasingly disrupted, some emerging markets may also impose protectionist measures that could affect financial institutions and their clients.

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

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

The Issuer operates through an international network of subsidiaries and affiliates. The Issuer's operations are subject to potential unfavourable political developments (which may include coups and/or civil wars), currency fluctuations, social instability and changes in government policies in the countries in which the Issuer operates or where the Issuer has exposure. These may take the form of expropriation, restrictions on international ownership, interest-rate caps, limits on dividend flows and tax in the jurisdictions in which the Issuer operates. In addition, rising protectionism and the increased trend of using trade and investment policies as diplomatic tools may also adversely affect global trade flows.

In Europe, for example, there remains an uncertain economic and political outlook, including in light of Italy's recent election and Hungary and Sweden's upcoming 2018 elections. Moreover, the political situation in Spain remains tense following the Spanish Government's decision to take direct control of Catalonia following the independence referendum. Furthermore, sanctions targeting the Russian government, institutions and individuals have had (and are continuing to have) an adverse effect on the Russian economy, and further sanctions may be possible. For example, as a result of increased tensions, additional U.S. sanctions were levied on Russian institutions and individuals in April 2018. Additionally, the EU's future relationship with the UK is still yet to be determined, with negotiations on the terms of the UK's exit from the EU ongoing. See "*The UK's withdrawal from the EU may adversely affect the Issuer's operating model and financial results*".

Any such unfavourable political 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 Issuer's business, its financial condition and prospects, the results of the Issuer's operations and/or the Issuer's customers.

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

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

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

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

In December 2013, the Financial Services (Banking Reform) Act 2013 ("**Banking Reform Act**") received Royal Assent. The Banking Reform Act (and associated secondary legislation and regulatory rules) requires UK deposit-taking banks with more than £25 billion of "core deposits" (broadly from individuals and small to medium-sized businesses) to separate their UK retail banking activities from their other wholesale and investment banking activities by 1 January 2019. The resulting UK ring-fenced bank entities need to be legally distinct, operationally separate and economically independent from non-ring-fenced bank entities and must operate in accordance with the ring-fencing rules of the Prudential Regulation Authority (the "**PRA**").

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, UK ("**HSBC UK**"). HSBC UK was incorporated in December 2015 and was set up to hold the qualifying components of the Issuer's UK Retail Banking and Wealth Management ("**RBWM**"), Commercial Banking ("**CMB**") and Global Private Banking ("**GPB**") businesses. The Issuer's UK Global Banking and Markets ("**GB&M**") business and current overseas subsidiaries and branches will remain in the Issuer, which will become the HSBC Group's UK non-ring-fenced bank. The Issuer will continue to be the issuer of securities under its debt issuance programmes, including the Securities, and outstanding securities issued under such programmes will continue to be obligations of the Issuer.

In order to complete the ring-fencing project, the Issuer will need to undertake a number of legal transfers. These include the transfer of customer and non-customer assets, liabilities and contractual arrangements to HSBC UK. The majority of these transfers will be made via a court-approved ring-fencing transfer scheme (the "**RFTS**") as provided for in Part VII of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**"). In addition to these transfers, certain items will be transferred via alternative arrangements. As a result, the ring-fencing project will require a significant legal and organisational restructuring of the Issuer and the transfer of large numbers of assets, liabilities, obligations, customers and employees between legal entities and the realignment of employees within the Issuer. For more information on the Issuer's ring-fencing plans, see "*The Issuer and its Subsidiaries — Information relating to the Issuer's Implementation of UK Structural Reform Requirements*" at pages 27 and 28 below. HSBC UK was granted a restricted banking licence from its regulators in July 2017 prior to the satisfaction of the PRA and Financial Conduct Authority ("**FCA**")'s threshold conditions. The Issuer is currently working on an agreed mobilisation plan to receive an unrestricted licence in 2018.

The cost of implementing these plans has been material, and the Issuer may continue to incur additional material expenses in relation thereto.

In addition, the implementation of the changes involves a number of risks related to both the revised Issuer structure and also the process of transition to such new structure. For example:

- As a result of ring-fencing, subject to certain exceptions, the Issuer will no longer be able to undertake retail or protected activities, including accepting European Economic Area ("**EEA**") retail deposits which must be carried out exclusively within HSBC UK. This will require the transfer of certain of the current Issuer's activities to HSBC UK (as described above), leading to a loss of revenue and assets for the Issuer, including from RBWM and CMB, two key revenue streams. As a result, the Issuer expects that it will have a reduced balance sheet as a result of the structural changes described above, including a reduction in risk-weighted assets ("**RWA**"), and a reduced and potentially more volatile revenue stream.

- As a result of ring-fencing, certain customers will be moved to HSBC UK and certain customers will be required to deal with both HSBC UK and the Issuer to obtain the full range of products and services or to take affirmative steps in connection with the reorganisation. The Issuer is unable to predict how some customers may react to these and other required changes.

- HSBC UK will need to be able to operate independently from the Issuer and, as a result, amendments will need to be made to the Issuer's existing corporate governance structure. This new structure will require the approval of the PRA and may diverge from the Issuer's existing corporate governance structure and create operational challenges when implementing such structure.

- In order to comply with the requirements of the UK ring-fencing regime, the Issuer will need to ensure that its operations infrastructure complies with the shared services, independence and resolvability requirements set out in the UK ring-fencing legislation and rules, including in areas such as information technology infrastructure, human resources and critical service providers, which may involve associated operational risk and may result in increased costs. Arrangements between HSBC UK and the Issuer will also need to meet these requirements and the requirement that all such transactions take place on an arm's length basis. Any duplication of certain infrastructure or functions between HSBC UK and the Issuer that are required to comply with the UK ring-fencing legislation and rules and inefficiencies resulting therefrom may in turn result in additional costs and/or changes to the Issuer's business and operations (transitional and recurring).

- The ability of the Issuer to meet funding and capital prudential requirements may be dependent on maintaining an adequate credit rating. The implementation of the UK ring-fencing regime will significantly impact the management of the Issuer's treasury operations, including internal and external funding arrangements. The changes required may adversely impact the assessment made by credit rating agencies, creditors and other stakeholders of the credit strength of the different entities on a stand-alone basis and may increase the cost of capital and/or funding for the Issuer and its subsidiaries. There can be no assurance that an adequate credit rating will be maintained by the Issuer once ring-fencing is completed. For example, in February 2018, Moody's Investors Service ("**Moody's**") placed the rating of the Issuer under review for downgrade due to the likely impact of UK ring-fencing legislation. See "*Any reduction in the credit rating assigned to the Issuer, any subsidiaries of the Issuer or any of their respective debt securities could increase the cost or decrease the availability of the Issuer's funding and materially adversely affect the Issuer's liquidity position and interest margins*". A decrease in credit rating may also limit the Issuer's access to the global capital markets on acceptable terms or at all. See "*The Issuer may experience periods of reduced liquidity or be unable to raise funds, each of which is essential to the Issuer's businesses*".

- The Issuer currently receives capital and funding support from entities within HSBC UK's corporate group. Such intra-group arrangements may no longer, or only to a limited extent, be permitted once ring-fencing is implemented. Restrictions or changes imposed on the ability to provide intra-group funding, capital or other support directly or indirectly to the Issuer may result in funding or capital pressures and liquidity stress for the Issuer.

- The Issuer currently relies on retail deposits to meet a considerable portion of its funding. Pursuant to the RFTS, the majority of retail deposits will transfer to and be held by HSBC UK, requiring the Issuer to diversify its sources of funding and capital. If the Issuer is unable to raise sufficient funds through deposits or in the capital markets, the liquidity position of the Issuer could be adversely affected and it could be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet its obligations under committed financing facilities, to comply with regulatory funding requirements, to undertake certain capital and/or debt management activities or to fund new loans, investments and businesses. The Issuer may need to liquidate unencumbered assets to meet its liabilities, including disposals of assets not previously identified for disposal, to reduce its funding commitments. In a time of reduced liquidity, the Issuer may be unable to sell some of its assets, may be unable to maintain the run-down and sale of certain legacy portfolios, or may need to sell assets at depressed prices, which in any such case could have a material adverse effect on the Issuer's financial condition and results of operations.

- Once the UK ring-fencing regime is implemented, reliance on intra-group exemptions in relation to large exposures and liquidity will not be possible between HSBC UK and the Issuer and may result in an increase in the Issuer's RWAs.

- The restructuring and planned transfers may also result in accounting consequences for the Issuer. Although a number of transfers will be made at book value between fully owned Issuer entities, certain transfers will be made at fair value which may result in a profit or loss being recognised by the Issuer. In addition, transfers of assets that have related hedging arrangements may result in adverse operational, financial or accounting consequences if the transfer is not consistent with the unaffected continuation of such hedging arrangements.

- The proposed transfers may have tax costs, or may impact the tax attributes of HSBC UK or the Issuer and the ability to transfer tax losses.

As a result, the implementation of the UK ring-fencing regime could have a material adverse effect on the Issuer's business, its financial condition, results of operations and prospects, as well as on the market value of the Securities.

There is no certainty that the Issuer will be able to complete the legal restructuring and migration of customers' assets and liabilities to HSBC UK by the 1 January 2019 deadline or in accordance with future rules and the consequences of noncompliance are currently uncertain.

The Issuer's final ring-fenced legal structure and the actions being taken to achieve it, remain subject to, among other factors, additional regulatory, board and other approvals. In particular, transfers of assets and liabilities by way of a court-approved RFTS must be reviewed and reported on by an Independent Skilled Person appointed by the Issuer with the prior approval of the PRA (having consulted with the FCA). The reports of the Independent Skilled Person are made public and form part of the court approval process.

The steps required to implement the UK ring-fencing regime to comply with the relevant rules and regulations are complex, have required (and will continue to require) an extended period of time to plan, execute and implement and have entailed (and will continue to entail) significant costs and operational, legal and execution risks. In particular, the ring-fencing legislation, rules, and supervisory policy are unclear in certain respects and may change. It is not clear how the PRA will interpret, supervise and enforce the ring-fencing regime, and there may be uncertainty and lack of international regulatory coordination as enhanced supervisory standards are developed and implemented. Additionally, external or internal factors, including new and developing legal requirements relating to the regulatory framework for the banking industry and the evolving regulatory and economic landscape resulting from the UK's withdrawal from the EU, as well as further political developments or changes to the Issuer's current strategy, may require the Issuer to further restructure its operations (including certain operations in the UK and Western Europe) and may in turn require further changes to be made to the Issuer's ring-fencing plans (including the planned structure of the Issuer post implementation). See "*Unfavourable legislative or regulatory developments, or changes in the policy of regulators or governments could materially adversely affect the Issuer*".

There is no certainty that the Group will be able to complete the legal restructuring and migration of customers' assets and liabilities by the 1 January 2019 deadline or in accordance with future rules and the consequences of noncompliance are currently uncertain.

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

The EU Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and their parent companies and other group companies. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. In the United Kingdom the Banking Act 2009, as amended from time to time ("**Banking Act**"), implements the provisions of the BRRD.

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

The Issuer is subject to the Banking Act which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the 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 Issuer), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the 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 (and, therefore, 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 Issuer'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 Issuer or not directly related to the Issuer) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the Issuer and its securities (including the Securities). Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of the Issuer's securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the Issuer and its securities, including the Securities.

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

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

The Issuer faces significant legal and regulatory risks in its business. See "*Unfavourable legislative or regulatory developments, or changes in the policy of regulators or governments could materially adversely affect the Issuer*". 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 things, alleged conduct, breaches of anti-money laundering ("**AML**") and sanctions regulations, anti-trust 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.

The Issuer continues to be subject to a number of material legal proceedings, regulatory actions and investigations, including, for example in relation to the HSBC Group's historical foreign exchange sales and trading activities, which concluded with the entry by HSBC Holdings into a deferred prosecution agreement with the Criminal Division of the U.S. Department of Justice (the "**FX DPA**") (see Note 30 ("*Legal proceedings and regulatory matters*") on pages 132 to 137 of the 2017 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 Issuer'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. Additionally, potential consequences of breaching the FX DPA could include the imposition of additional terms and conditions on the Issuer, an extension of the agreement or the criminal prosecution of the Issuer, which could, in turn, entail further financial penalties and collateral consequences. Moreover, the Issuer 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 Issuer incurring significant expense, substantial monetary damages, loss of significant assets, other penalties and injunctive relief, potential regulatory restrictions on the Issuer's business and/or a negative effect on the Issuer's reputation, any of which could have a material adverse effect on the Issuer's business, its financial condition, results of operations and prospects.

In addition, 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 Issuer's business, financial condition, results of operations, prospects and reputation, including the potential loss of key licences, requirements to exit certain businesses and withdrawal of funding from depositors and other stakeholders.

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

The Issuer'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 Issuer operates ("**Regulations**"). This is particularly so in the current environment, where the Issuer 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 Issuer's operations mean that the Issuer is obliged to give effect to local Regulations on a wider basis.

More stringent regulatory requirements, including further capital, liquidity and funding requirements, and adjustments in the use of models for measuring risk, may adversely affect elements of the Issuer's business, particularly if capital requirements are increased.

There may be changes in Regulations, or in their interpretation or enforcement, or in how new 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 Issuer is regulated and supervised and could affect the manner in which the Issuer conducts its business activities, manages its capital requirements, assesses its risk management practices, or how the HSBC Group is structured, all of which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer may not manage risks associated with the replacement of benchmark indices effectively.

The expected replacement of the key London Interbank Offered Rate ("**LIBOR**") with alternative benchmark rates introduces a number of risks for the Issuer, its clients, and the financial services industry more widely. This includes, but is not limited to:

- legal risks, as changes required to documentation for new and existing transactions may be required;

- financial risks, arising from any changes in the valuation of financial instruments linked to benchmark rates;
- pricing risks, as changes to benchmark indices could impact pricing mechanisms on some instruments;
- operational risks, due to the potential requirement to adapt informational technology systems, trade reporting infrastructure and operational processes; and
- conduct risks, relating to communication with potential impact on customers, and engagement during the transition period.

The replacement of benchmarks together with the timetable and mechanisms for implementation have not yet been confirmed by central banks. Accordingly, it is not currently possible to determine whether, or to what extent, any such changes would affect the Issuer. However, the implementation of alternative benchmark rates may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer 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 Issuer which could result in, among other things, the suspension or revocation of the Issuer'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 Issuer's business, its financial condition and prospects and/or results of the Issuer'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 Issuer 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 Issuer 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 continued implementation of the EU Capital Requirements Directive and Regulation ("**CRD IV**") which implements in the EU the Basel III measures, and the ongoing publication by the PRA of its rules on implementing CRD IV, each of which relates to the quality and quantity of capital that eurozone banks must hold. The PRA also continues to determine and revise capital requirements for individual banks under its Pillar 2 framework. In December 2017, in line with EU rules, the requirement to have a Basel I capital floor lapsed and the PRA confirmed that its application is no longer required. However, a new aggregate output capital floor to ensure that banks' total RWAs are no lower than 72.5 per cent. of those generated by the standardised approaches is expected to be implemented as part of the final published revisions to the Basel III framework (also referred to as 'Basel IV') that were announced by the Basel Committee in December 2017. The Basel Committee intends that the revisions to the framework will apply from 1 January 2022, with a five-year transitional period for the output capital floor from that date commencing at a rate of 50 per cent. The European Banking Authority ("**EBA**")'s discussion paper "Future of the IRB Approach" published in March 2015 outlines a programme of risk-based model related activity that could have a potential impact on the Issuer's RWA calculations. The timetable for the implementation of these changes has been extended by the EBA to the end of 2020;
- the potential introduction of changes to the Capital Requirements Regulation and the Capital Requirements Directive (collectively known as "**CRR2**" that were published in November 2016. The proposals are designed to implement the Financial Stability Board standards for Total Loss Absorbing Capacity ("**TLAC**"), which in the EU is implemented through the "Minimum Requirements for own funds and Eligible Liabilities" ("**MREL**"), together with various agreed reforms to the Basel prudential framework (including the final Basel III leverage ratio and net stable funding ratio requirements, and substantial changes to the market risk framework), as well

as related EU-specific reforms on (among others) small and medium-sized enterprise ("**SME**") and infrastructure exposures. The proposals also include a new a requirement for global systemically important banks and certain other banking groups with two or more institutions in the EU, but whose ultimate parent is outside the EU, to establish an EU intermediate financial holding company, that would be subject to consolidated prudential supervision in the EU. These proposals are yet to be finalised and it is unclear, particularly in light of the UK's exit from the EU, how these requirements will affect the Issuer. The CRR2 changes are expected to be finalised in 2018 and to apply from 1 January 2021, although certain elements, such as the revisions to the MREL requirements, are expected to apply from 1 January 2019;

- 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 implementation in January 2018 of Directive 2014/65/EU and Regulation 600/2014/EU (collectively referred to as "**MiFID II**"), which impose (among other things) enhanced transparency requirements and related restrictions in relation to dealings with clients, markets and regulators;

- the UK's exit from the EU, which could result in significant changes to those EU laws (including taxation laws) applicable in the UK (depending on whether the UK were to be readmitted to the European Free Trade Association and the EEA). While the UK's exit from the EU should not in and of itself affect existing UK laws such as the Banking Act, it is possible that significant changes to UK law and regulation concerning banking and financial services could take place before or following the UK's exit from the EU;

- 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 Issuer 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);

- the completion of the outstanding work by the Basel Committee in relation to the Basel II framework, including the treatment of sovereign risk and the long-term regulatory treatment for International Financial Reporting Standard 9, Financial Instruments ("**IFRS 9**") provisions. See "*Changes in accounting standards may have a material impact on how the Issuer reports its financial results and financial condition*";

- 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. In particular, the EC Delegated Regulation supplementing EMIR with regard to risk mitigation techniques for OTC derivatives not cleared by a central counterparty imposes a requirement on banks (and certain others) to collect initial margin and variation margin in respect of certain non-centrally cleared OTC derivative transactions. The requirements relating to initial margin and variation margin applied from 4 February 2017 in relation to the largest market participants. Requirements relating to variation margin applied for all financial and non-financial counterparties above the clearing threshold from 1 March 2017;

- requirements flowing from arrangements for the recovery and resolution of the Issuer 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 Organisation for Economic Co-operation and Development;

- 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 focus globally on data (including on data processing and subject rights / transfer of information) and financial technology risks and cybersecurity and the introduction of new and/or enhanced standards in this area;

- changes in national or supra-national requirements regarding the ability to offshore or outsource the provision of services and resources or transfer material risk to financial services companies located in other countries, that impact the Issuer's ability to implement globally consistent and efficient operating models;

- the continued focus of competition law enforcement agencies at national and European level on the financial sector when enforcing laws against anticompetitive practices (in the UK, the FCA and the Payment Systems Regulator are competition law enforcers). This is also being accompanied by a rise in private damages litigation relating to alleged competition law infringements. Currently, much of this is brought in the UK, for example, ongoing litigation by UK retailers regarding consumer credit and debit card interchange fee levels under the Visa and MasterCard schemes, but in the future there is likely to be an increase in such litigation across Europe as a result of the EU Directive on Antitrust Damages Action; 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 first wholesale market study into investment and corporate banking to assess whether competition in the sector is working properly (which resulted in some changes being proposed in October 2016 to address certain perceived anti-competitive practices), changes to the consumer credit regime and an ever greater focus by the Issuer'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 Issuer. 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 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 Issuer'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 Issuer 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 Issuer'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 Issuer 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 Issuer 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 Issuer, which could result in, among other things, increased costs in connection with any administrative or judicial enforcement action, the suspension or revocation of the Issuer's licences, 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 Issuer. 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 Issuer's businesses.

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

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

The Issuer is subject to regulatory stress testing in many jurisdictions, as described in "*Report of the Directors – Risk Management – Our risk management framework – Stress testing*" on page 24 of the 2017 Annual Report and Accounts. These exercises are designed to assess the resilience of banks to potential adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on the Issuer'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 Issuer being required to increase capital, reduce leverage exposure (through asset sales or through making changes to the Issuer's business model), reduce lending to customers and/or take additional measures to strengthen the Issuer's capital position, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer is subject to the substance and interpretation of tax laws in all countries in which the Issuer operates and is subject to routine review and audit by tax authorities in relation thereto. The Issuer's interpretation or application of these laws may differ from those of the relevant tax authorities and the Issuer 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. For example, the new U.S. tax legislation (the "**Tax Legislation**") contains certain complex provisions such as the Base Erosion and Anti-Abuse Tax, which may have a material impact in future periods on income tax expense for the Issuer's existing U.S. branch and any potential U.S. branches or subsidiaries, depending upon, among other things, the future issuance of regulatory guidelines and other interpretive guidance. Additionally, it is not yet clear how the Tax Legislation will impact the Issuer's clients and there is a risk that the Tax Legislation could have an adverse impact on the Issuer's commercial relationship with those clients. Changes to tax law, tax rates and penalties for failing to comply could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

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

Robust management of critical time-sensitive and resource-intensive projects is required to effectively deliver the Issuer's strategic priorities. The Issuer continues to implement a number of externally driven regulatory programmes and the magnitude and complexity of the projects required to meet these demands present heightened execution risk. The cumulative impact of the collective change initiatives underway within the HSBC Group is significant and has direct implications on resourcing. In addition, the completion of these strategic actions is subject to economic and market conditions, which may be negatively affected as described under "*Macroeconomic and geopolitical risk—Current economic and market conditions could materially adversely affect the Issuer*". The failure to successfully deliver key strategic actions or other regulatory programmes could have a significant impact on the Issuer's business, financial condition, results of operations and prospects.

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

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

Key to achieving the HSBC Group's growth strategy is increasing the number of HSBC Group products held by the Issuer's customers through cross-selling and driving synergies across its global businesses to grow revenue and earnings. Key opportunities to drive business synergies arise between CMB and GB&M, and separately in RBWM, which are both areas where many of its competitors also focus. In both instances, this may limit the Issuer'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. A failure to deliver the cross-selling and/or business synergies required to achieve its growth strategy could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer operates in markets that are highly competitive.

The Issuer competes with other financial institutions in a highly competitive industry that continues to undergo significant change as a result of financial regulatory reform, including Open Banking in the UK, as well as increased public scrutiny stemming from the financial crisis and continued challenging economic conditions.

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

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

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

The reliability and security of the Issuer's information and technology infrastructure and the Issuer's customer databases are crucial to maintaining the service availability of banking applications and processes and to protecting the Issuer's brand. The proper functioning of the Issuer'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 Issuer's branches and main data processing centres, are critical to the Issuer's operations.

The Issuer is increasingly exposed to fraudulent and criminal activities as a result of increased usage of internet and mobile services by customers. The Issuer 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 Issuer's ability to service its clients, could breach regulations under which the Issuer operates and cause long-term damage to the Issuer's business and brand that could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Moreover, the threat from internet crimes and cyber-attacks remains a concern for the Issuer's organisation and failure to protect the Issuer's operations from future internet crime or cyber-attacks may result in financial loss and/or loss of customer data or other sensitive information that could undermine the Issuer'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.

Ransomware and distributed denial of service ("**DDOS**") attacks are an increasingly dominant threat across the industry. In 2017, the HSBC Group was subjected to a small number of DDOS attacks on its external-facing websites across the HSBC Group and no ransomware attacks.

Although cyber-attacks in 2017 had a negligible effect on the Issuer's customers, services or firm, due to the increasing sophistication of cyber-attacks there is the potential for future attacks to have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The management of risk is an integral part of all the Issuer's activities. Risk constitutes the Issuer'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, non-traded market risk, operational risk, insurance risk, concentration risk, liquidity and funding risk, litigation risk, conduct risk, reputational risk, strategic risk, pension risk and regulatory risk. While the Issuer employs a broad and diversified set of risk monitoring and mitigation techniques, such methods and the judgements that accompany their application cannot anticipate every unfavourable event or the specifics and timing of every outcome. Failure to manage risks appropriately could have an adverse effect on the Issuer's income, cash flows and the value of assets and liabilities, which could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects and reputation.

Operational risks are inherent in the Issuer's business.

The Issuer 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 are also present when the Issuer relies on outside suppliers or vendors to provide services to the Issuer and the Issuer's customers. These operational risks could have a material adverse effect on the Issuer's business, its financial condition and prospects and/or results of the Issuer's operations. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer 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 Issuer's operations are subject to the threat of fraudulent activity.

Fraudsters may target any of the Issuer's products, services and delivery channels including lending, internet banking, payments, bank accounts and cards. This may result in financial loss to the Issuer, 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 Issuer's business, financial condition results of operations and prospects.

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

The Issuer operates in many geographical locations that are subject to events outside the Issuer'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 Issuer's services and/or result in physical damage and/or loss of life, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer relies 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 Issuer'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 Issuer's reputation/brand image. Any such failure could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's data management policies and processes may not be sufficiently robust.

Critical business processes across the Issuer rely on large volumes of data from a number of different systems and sources. If data governance (including retention and deletion), data quality and data architecture policies and procedures are not sufficiently robust, manual intervention, adjustments and reconciliations may be required to reduce the risk of error in reporting to senior management or regulators. Inadequate policies and processes may also affect the Issuer's ability to use data within the Issuer to service customers more effectively and/or improve the Issuer's product offering.

Moreover, financial institutions that fail to comply with the principles for effective risk data aggregation and risk reporting as set out by the Basel Committee on Banking Supervision by the required deadline may face supervisory measures. In addition, failure to comply with new Global Data Privacy Requirements may result in regulatory sanctions. Any of these inadequacies or failures could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's operations have inherent reputational risk.

Reputational risk is the risk of failing to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Issuer, its employees or those with whom it is associated. This might cause stakeholders to form a negative view of the Issuer and the HSBC Group and may result in financial or non-financial effects or loss of confidence in the Issuer. Reputational risk relates to stakeholders' perceptions, whether fact-based or otherwise. Stakeholders' expectations change constantly and so reputational risk is dynamic and varies between geographical regions, groups and individuals. Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputational risk.

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 Issuer 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 Issuer'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 Issuer's business, financial condition, results of operations and prospects.

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

The Issuer's businesses are exposed to risk from potential non-compliance with regulations and policies, including the "HSBC Values" (the HSBC Values describe how the Issuer's employees should interact with each other and with customers, regulators and the wider community, see "*Purpose and Strategy – HSBC Values*" on page 3 of the 2017 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 Issuer 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 Issuer's business, financial condition, results of operations and prospects.

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

The demands being placed on the human capital of the Issuer are unprecedented. The cumulative workload arising from a regulatory reform programme that is often extra-territorial and regularly evolving is hugely consumptive of human resources, placing increasingly complex and conflicting demands on a workforce that operates in an employment market where expertise in key markets is often in short supply and mobile.

Moreover, certain regulatory changes may affect the Issuer'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 Issuer'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 Issuer'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 Issuer's strategy. The successful implementation of the Issuer's growth strategy depends on the availability of skilled management in each of its business units, which may depend on factors beyond the Issuer's control, including economic, market and regulatory conditions. If one of the Issuer's business units fails to staff its operations appropriately or loses one or more of its key senior executives, and fails to successfully replace them in a satisfactory and timely manner, or fails to implement successfully the organisational changes required to support the Issuer's business, this could place the Issuer at a significant competitive disadvantage and prevent the Issuer from successfully implementing its strategy, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer's financial statements are based in part on judgements, 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 Issuer'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 Issuer'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 Issuer's future financial statements from estimates, judgements or assumptions used in prior periods could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

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

The Issuer prepares its financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"), including interpretations issued by the IFRS Interpretations Committee, and as endorsed by the EU. From time to time, the IASB or the IFRS Interpretations Committee may issue new accounting standards or interpretations which could materially impact how the Issuer reports and discloses its financial results and financial condition as well as affect the calculation of its capital ratios, including the common equity tier 1 capital ratio. The Issuer could also be required to apply new or revised standards retrospectively, resulting in the Issuer restating prior period financial statements in material amounts.

For example, IFRS 9, which the Issuer adopted from 1 January 2018, is expected to increase impairment charges to reflect expected credit losses and may cause impairment charges to be more volatile. Adoption of IFRS 9 is expected to reduce net assets of the Group as at 1 January 2018 by £532 million, primarily reflecting an expected impairment of £764 million. Over time, future impairment charges may also cause significant decreases in the Issuer's end-point common equity tier 1 capital ratio, especially given that the transitional arrangements published by the EU (which soften the impact that IFRS 9 has on the Issuer's loan loss allowances) will be phased out by the end of 2022. In addition, the Issuer continues to test and refine its models for purposes of determining expected credit losses in preparation for the disclosure required in its financial statements for the year ending 31 December 2018, and any revisions to such models may result in significant changes to the Issuer's regulatory capital position.

The use of pro forma financial information may not be indicative of the financial position or future performance of HSBC UK or the Issuer.

The unaudited pro forma financial information presented on page 36 has been prepared to illustrate the anticipated position of the assets and liabilities of the Issuer as at 31 December 2017. The unaudited pro forma financial information is based on available information and assumptions that management believes were reasonable at the date of preparation. However, the Issuer cannot make any assurances that such assumptions will prove to be accurate over time, or that any assumptions on which any future pro forma financial information is presented, including in respect of the Issuer to reflect the separation of HSBC UK, or in respect of HSBC UK, will prove to be accurate over time. In particular, as the systems and processes to support the generation of HSBC UK's financial reporting have not yet been fully implemented, certain estimates and assumptions are necessary to generate the unaudited pro forma balances, which may continue to be the case when preparing any future pro forma financial information.

The unaudited pro forma financial information has been prepared for illustrative purposes only, and, due to the nature of such information, should not be used as the basis of projections of the Issuer's or HSBC UK's results of operations, financial condition or performance.

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

The Issuer uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of loan impairment charges on an IFRS 9 basis, financial crime and fraud risk management and financial reporting. The Issuer could face adverse consequences as a result of decisions that may lead to actions by management, based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood or the use of such information for purposes for which it was not designed.

Regulatory scrutiny and supervisory concerns over banks' use of models is considerable, particularly the internal models and assumptions used by banks in the calculation of regulatory capital. If regulatory approval for key capital models is not achieved in a timely manner, the Issuer could be required to hold additional capital.

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

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

The Issuer 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 Issuer's products and services for the purposes of committing or concealing a financial crime. A major focus of U.S. and UK government policy relating to financial institutions in recent years has been combating money laundering and enforcing compliance with U.S. and EU economic sanctions. This focus is reflected in part by agreements between members of the HSBC Group with U.S. and UK authorities relating to various investigations regarding past inadequate compliance with AML and sanctions laws.

These agreements do not preclude additional enforcement actions by bank regulatory, governmental or law enforcement agencies or private litigation. A number of the remedial actions have been taken as a result of the matters related to HSBC Holdings' expired U.S. deferred prosecution agreement with the U.S. Department of Justice, which 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 these will be completely effective. Moreover, in relevant situations and where permitted by regulation, the Issuer 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 Issuer (and the Issuer's relevant counterparties) as a conduit for money laundering, including illegal cash operations, without the Issuer'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 Issuer's reputation and could make it subject to fines, sanctions and/or legal enforcement. Any one of these outcomes could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

The Issuer has significant exposure to counterparty risk.

The Issuer is exposed to counterparties that are involved in virtually all major industries, and the Issuer 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 Issuer to credit risk in the event of default by its counterparty or client. The Issuer'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, poses new risks to the Issuer because the Issuer, together with other clearing members, will be required to underwrite losses incurred at a Central Counterparty ("**CCP**"). As a result, central clearing members, including the Issuer, may suffer losses due to the default of other clearing members or their clients. Hence increased moves towards central clearing brings with it a further element of interconnectedness between clearing members and clients that the Issuer believes may increase rather than reduce the Issuer's exposure to systemic risk. At the same time, the Issuer's ability to manage such risk will be reduced because the management of such risk has been largely outsourced to CCPs 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 Issuer's credit risk may remain high if the collateral the Issuer holds cannot be realised or has to be liquidated at prices that 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 Issuer's ability to foreclose on collateral or otherwise enforce contractual rights.

The Issuer 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 Issuer's business, financial condition, results of operations and prospects.

Market fluctuations may reduce the Issuer's income or the value of its portfolios.

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

Market movements will continue to significantly affect the Issuer 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 or low interest rate environment could increase prepayment activity that reduces the weighted average lives of the Issuer's interest-earning assets and could have a material adverse effect on the Issuer. 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 Issuer's ability to change interest rates applying to customers in response to changes in official and wholesale market rates. The Issuer's pension scheme assets include equity and debt securities, the cash flows of which change as equity prices and interest rates vary.

The Issuer's insurance businesses are exposed to the risk that market fluctuations will cause mismatches to occur between product liabilities and the investment assets that back them. Market risks can affect the Issuer'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 Issuer's business, financial condition, results of operations and prospects.

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

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

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

The Issuer 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, on acceptable terms or at all, could have a substantial adverse effect on the Issuer's liquidity. Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase the Issuer's funding costs or challenge its ability to raise funds to support or expand its businesses, materially adversely affecting the Issuer's business, its financial condition and prospects and/or results of the Issuer's operations.

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

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

Credit ratings affect the cost and other terms upon which the Issuer is able to obtain market funding. Rating agencies regularly evaluate the Issuer and certain of its subsidiaries, as well as their respective debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Issuer or of the relevant entity, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the Issuer's or the relevant entity's current ratings or outlook. For example, in February 2018, Moody's placed the credit rating of the Issuer under review for downgrade due to the likely impact of UK ring-fencing legislation.. Moody's expects to conclude its review by April 2018 ahead of the legal separation of the Issuer into two legal entities later in the year, and prior to the implementation of the UK ring-fencing legislation on 1 January 2019. See "*UK banking and structural reform legislation and proposals could materially adversely affect the Issuer, as well as the market value of the Issuer's outstanding securities*".

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

The Issuer may experience adverse changes in the credit quality of the Issuer'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 Issuer's businesses. Adverse changes in the credit quality of the Issuer'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 Issuer's assets and require an increase in the Issuer's loan impairment charges.

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

The Issuer's insurance businesses are subject to risks relating to insurance claim rates, changes in insurance customer behaviour and market risk.

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

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

The Issuer operates a number of pension plans, including defined benefit plans. Pension plan obligations can fluctuate with changes in long-term interest rates, inflation, salary levels and the longevity of scheme members. The level of contributions the Issuer makes to the Issuer's pension plans has a direct effect on the Issuer's cash flow. To the extent plan assets are deemed 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 Issuer'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 2017 Annual Report and Accounts of HSBC Bank plc (the "**Issuer**") and its subsidiary undertakings for the year ended 31 December 2017 submitted to and filed with the UK Listing Authority, other than the section entitled "*Structural Reform*" on pages 16 to 18 of the Annual Report and Accounts (the "**2017 Annual Report and Accounts**"); and

- the 2016 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2016 submitted to and filed with the UK Listing Authority (the "**2016 Annual Report and Accounts**") and the additional financial information document in relation to the year ended 31 December 2016 submitted to and filed with the UK Listing Authority (the "**2016 Additional Information**"). The 2016 Additional Information is additional financial information, which is intended to be read in conjunction with the 2016 Annual Report and Accounts, but which is not required to be included in the 2016 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 Issuer and its subsidiaries in 2015 versus 2014 and certain statistics and other information. The 2016 Additional Information was published by the Issuer together with the 2016 Annual Report and Accounts.

The Issuer will, at its registered office and at the specified offices of the paying agents specified on the final page of this Registration Document (the "**Paying Agents**"), make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Registration Document including any document incorporated by reference herein. Written or oral requests for inspection of such documents should be directed to the specified office of any Paying Agent. Additionally, this Registration Document 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 investors' and 'Issuance programmes'). For the avoidance of doubt, any websites referred to in this Registration Document or any information appearing on such websites and pages do not form part of this Registration Document.

Any information incorporated by reference in the above documents does not form part of this Registration Document 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 "**Issuer**") accepts responsibility for the information contained in this Registration Document. To the best of the knowledge of the Issuer, 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 Issuer, or any trustee or any dealer appointed in relation to any issue of debt or derivative securities ("**Securities**") by the Issuer.

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

None of the delivery of this Registration Document or any documents incorporated by reference herein or any prospectus prepared by the Issuer ("**Prospectus**"), other offering document referring to this Registration Document or any Final Terms or Pricing Supplement or the offering, sale or delivery of any Securities shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained in this Registration Document is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. Any dealer or trustee appointed in relation to any issue of Securities by the Issuer expressly does not undertake to review the financial condition or affairs of the Issuer or its subsidiary undertakings during the life of such Securities.

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

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

THE ISSUER AND ITS SUBSIDIARY UNDERTAKINGS

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

History and Development of the Issuer

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

Legislation

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

Principal activities and markets

The information in this "*Principal activities and markets*" section is as at the date of this Registration Document, and is subject to the legal separation of the Issuer into two legal entities in July 2018 (see "*Information Relating to the Issuer's Structural Reform*" for further details). The Issuer and its subsidiary undertakings (the "**Group**") is a UK-based group, which provides a comprehensive range of banking and related financial services.

The Issuer manages its products and services through its four businesses: Retail Banking and Wealth Management ("**RBWM**"), Commercial Banking ("**CMB**"), Global Banking and Markets ("**GB&M**") and Global Private Banking ("**GPB**").

RBWM serves customers worldwide through four main business areas: Retail Banking, Wealth Management, Asset Management and Insurance. 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 provide services to clients across all of the global businesses; and the foreign exchange wealth management needs of RBWM clients create opportunities for GB&M. RBWM's focus is on growing the business through relationship-led lending and wealth management, while transforming customer experience and cost base through investment in digital infrastructure.

CMB customers range from small enterprises focused primarily on their domestic markets through to corporates operating globally. CMB supports its 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. CMB offers expertise in mergers and acquisitions, and provides access to financial markets. CMB is at the centre of creating revenue synergies within the HSBC Group. For example, 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 HSBC Group to benefit CMB clients. The HSBC Group is focused on creating value from its network. The HSBC Group's priority markets cover both sides of 11 of the world's

15 largest trade corridors for goods and services forecast for 2030, and represent at least one side of the other four corridors. The HSBC Group is therefore investing heavily in digital and technology aspects of its core Global Liquidity and Cash Management and Global Trade and Receivables Finance propositions.

GB&M supports major government, corporate and institutional clients worldwide. GB&M's product specialists continue to deliver a comprehensive range of transaction banking, financing, advisory, capital markets and risk management services. GB&M's product specialists continue to deliver a comprehensive range of capital financing, advisory and transaction banking services. GB&M has made progress on its initiatives to reduce risk weighted assets ("**RWAs**"), including managing its Markets and Capital Financing business and employing a disciplined approach to new client business. GB&M's focus on cost discipline will result in further simplification of the business through streamlining business lines, operations and technology. Deepening relationships with clients in both event and transaction banking remain a priority. GB&M is growing its business from the internationalisation of China's RMB currency and by investing in digital capabilities.

GPB serves high net worth individuals and families, including those with international banking needs, through 13 booking centres covering the HSBC Group's priority markets. GPB's products and services include: Investment Management, incorporating advisory, discretionary and brokerage services; Private Wealth Solutions, comprising trusts and estate planning, designed to protect wealth and preserve it for future generations; and a full range of Private Banking services. GBP products are utilised within GB&M, CMB and RBWM, including asset management, research, insurance, trade finance and capital financing, to offer propositions to the Issuer's clients. GPB aspires to build on HSBC's commercial banking heritage and be the leading private bank for high net worth business owners and principals.

As at 31 December 2017, the Issuer had 625 branches in the United Kingdom, and 13 located in the Isle of Man and the Channel Islands. The Issuer and its subsidiaries had further banks, branches and offices in Armenia, Belgium, Czech Republic, France, Germany, Greece, Ireland, Israel, Italy, Luxembourg, Malta, The Netherlands, Poland, Russia, South Africa, Spain and Switzerland.

The principal activities and markets of the Group are described in more detail on pages 3 and 4 of the 2017 Annual Report and Accounts (incorporated by reference herein).

As at 31 December 2017, the Issuer's principal subsidiary undertakings and their country of incorporation or registration were:

Name of Subsidiary Undertaking	*Location*
HSBC Asset Finance (UK) Limited	England
HSBC Invoice Finance (UK) Limited	England
HSBC Life (UK) Limited	England
HSBC Private Bank (UK) Limited	England
HSBC Trust Company (UK) Limited	England
Marks and Spencer Retail Financial Services Holdings Limited	England
HSBC France (99.99 per cent. owned)	France
HSBC Trinkaus & Burkhardt AG (80.67 per cent. owned)	Germany
HSBC Private Bank (C.I.) Limited	Guernsey
HSBC Bank International Limited	Jersey
HSBC Bank Malta p.l.c. (70.03 per cent. owned)	Malta

The subsidiaries, joint ventures and associates of the Issuer are described in more detail on pages 140 to 143 of the 2017 Annual Report and Accounts (incorporated by reference herein).

Organisational Structure

HSBC Bank plc is the Group's principal operating subsidiary undertaking in Europe. The Issuer is a wholly and directly owned subsidiary of HSBC Holdings, the UK holding company of the Group. As part of the HSBC Group's reorganisation plans, it is expected that the Issuer will become a wholly-owned subsidiary of HSBC UK Holdings Limited in the second half of 2018. HSBC UK Holdings Limited is a wholly and directly owned subsidiary of HSBC Holdings.

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

HSBC Holdings and the HSBC Group is one of the largest banking and financial services organisations in the world with an international network of around 3,900 offices in 67 countries and territories. As at 31 December 2017 the total assets of the HSBC Group were U.S.$2,521,771 million.

Trend Information

UK real GDP rose by 0.5 per cent. in the fourth quarter of 2017 - a small improvement on 0.4 per cent. in the preceding quarter. The annual rate of growth slowed to 1.5 per cent. (from 2.0 per cent. in the same quarter of 2016). The unemployment rate stood at 4.3 per cent. in the three months to November 2017 - its lowest level since 1975. Employment as a percentage of the population aged 16 to 64 was 75.5 per cent. in November 2017 - a series high. Annual wage growth (excluding bonuses) stood at 2.4 per cent. in the three months to November 2017. The annual rate of growth in the Consumer Price Index ("**CPI**") was 3.0 per cent. in December 2017. Activity in the housing market weakened over the year, with price growth moderating but remaining positive. However, the Bank of England raised its official bank rate ("**Bank Rate**") by 0.25 per cent. to 0.5 per cent. in November 2017.

As at the date of this Registration Document, the annual pace of UK real GDP growth was expected to slow from 1.8 per cent. in 2017 to 1.5 per cent. in 2018. Though CPI inflation may be at or near its peak, as at the date of this Registration Document, it looked set to continue to outpace wage growth throughout 2018, with employment growth slowing. Together, these factors could weigh on consumption growth. As at the date of this Registration Document, political uncertainty was expected to keep investment growth weak and net trade was not expected to contribute to GDP growth in 2018. Although the rate of growth is lower than it has been in recent years, it is still close to what the Bank of England considers to be the new "speed limit". It may therefore raise the Bank Rate again in 2018.

The eurozone continued on a steady growth path in 2017, with GDP increasing at a 0.6 per cent. quarterly rate in the fourth quarter of the year, following 0.7 per cent. in the previous two quarters. This took full year growth to 2.5 per cent. in the eurozone in 2017, the fastest rate in 10 years. As at the date of this Registration Document, data for two of the Big 4 eurozone countries was available: France and Spain. GDP increased by 0.6 per cent. quarter-on-quarter in France, led by strong exports growth and investment, and by 0.7 per cent. quarter-on-quarter in Spain, taking the full year growth to 3.1 per cent., the third year in a row in excess of 3 per cent. Domestic consumption was likely to have remained an important driver of growth in the fourth quarter, fuelled by strong job creation, but, as at the date of this Registration Document, HSBC Global Research expected it to have eased a little as oil price increases reduced households' purchasing power. As at the date of this Registration Document, investment had also picked up, particularly in the business sector, also helped by important fiscal incentives, while net exports was likely to have contributed positively to growth, thanks to the highly synchronised global cycle, and so far with limited impact from the appreciation of the euro (approximately 9 per cent. in trade-weighted terms) since Spring 2017.

The latest survey data point to a continuation of the strong growth momentum, although HSBC Global Research, as at the date of this Registration Document, expected a marginal slowdown in growth in 2018 (to 2.3 per cent.) due to stalling real wage growth putting a lid on domestic consumption, against the background of rising energy prices, while the stronger euro might have a dampening effect on export growth. The European Central Bank ("**ECB**") Quantitative Easing ("**QE**") programme was extended for nine months from January 2018 albeit at a slightly lower pace (€30 billion of asset purchases per month, compared to €60 billion previously), which should continue to provide fiscal support to countries, while the ECB forward guidance on rates should help prevent a further appreciation of the euro by pushing expectations for a possible rate hike further into the future. As at the date of this Registration Document, HSBC Global research expected QE to end in October 2018. With nominal wage growth stalling, as at the date of this Registration Document, HSBC Global Research expected inflation to continue to undershoot the ECB's inflation target, at 1.5 per cent. both in 2018 and 2019, even if oil price increases have added some pressures to inflation in the short term, only partly offset by the stronger euro. Political risks include the uncertainty following the Italian election, held on 4 March 2018, which resulted in a hung parliament. Speakers of both houses of the Italian parliament have been elected, but, as at the date of this Registration Document, no government had been formed. The outcome of the Catalan independence threat remains uncertain, after pro-independence parties re-gained a majority of seats in the Catalan parliament at the regional election on 21 December 2017, while their proposed candidate for President of Catalonia, the former mayor of the city of Girona, was, as at the date of this Registration Document, under an international arrest warrant. At the date of this Registration Document, German courts have rejected the extradition request from the Spanish government.

Ratings

The Issuer 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 Issuer has a very strong capacity to meet its financial commitments;

- Aa3 by Moody's Investors Service Limited ("**Moody's**"). This means that Moody's is of the opinion that the Issuer 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 Issuer poses expectations of very low credit risk, indicates very strong capacity for payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events.

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

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

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

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

Each of S&P, Moody's and Fitch are established in the European Union and are registered as Credit Rating Agencies under the CRA Regulation.

Information relating to the Issuer's Implementation of UK Structural Reform Requirements

The Banking Reform Act and associated secondary legislation and regulatory rules require UK deposit-taking banks with more than £25 billion of "core deposits" (broadly from individuals and small to medium-sized businesses) to separate their UK retail banking activities from their other wholesale and investment banking activities by 1 January 2019. The resulting UK ring-fenced bank entities need to be legally distinct, operationally separate and economically independent from non-ring-fenced bank entities and must operate in accordance with the Prudential Regulation Authority (the "**PRA**")'s ring-fencing rules.

HSBC UK Bank plc ("**HSBC UK**"), which is the HSBC Group's UK ring-fenced bank, was incorporated in December 2015 and was set up to hold the qualifying components of the Issuer's UK RBWM, CMB and GPB businesses. The UK GB&M business and current overseas subsidiaries and branches will remain in the Issuer, which will become HSBC's non-ring-fenced bank. HSBC UK is a wholly-owned subsidiary of HSBC UK Holdings Limited, a wholly owned subsidiary of the Issuer's parent company HSBC Holdings. HSBC UK received a restricted banking licence from the PRA in July 2017 and is expected to receive an unrestricted banking licence in June 2018 pursuant to an agreed mobilisation plan.

In order to complete the ring-fencing project, the Issuer will need to undertake a number of legal transfers. These include the transfer of customer and non-customer assets, liabilities and contractual arrangements to HSBC UK. The majority of these transfers will be made via a court-approved ring-fencing transfer scheme (the "**RFTS**") as provided for in Part VII of FSMA. In addition to these transfers, certain items will be transferred via alternative arrangements. In March 2017, the Issuer's share premium totalling £20.7 billion was converted to distributable reserves through a court-approved process in preparation for the transfer of businesses and related capital to HSBC UK.

The RFTS process was initiated in January 2018 with the submission of an application to the UK High Court. It is expected that the final court hearing to sanction the RFTS will take place in May 2018 and HSBC UK will commence operations on 1 July 2018. Immediately prior to commencing operations, three transfers will take place on 1 July 2018 under an agreement between HSBC Holdings, the Issuer, HSBC UK and HSBC UK Holdings Limited: (1) the transfer of the qualifying components of the Issuer's UK RBWM and CMB businesses and related items to HSBC UK through the RFTS; (2) the transfer of the Issuer's qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank

(UK) Limited and a number of asset finance entities to HSBC UK as part of the RFTS; and (3) the transfer of the Issuer's excess reserves to HSBC UK through a capital contribution. In addition, the Issuer will be undergoing a number of additional transfers and re-organisation activities (including capital contributions) during 2018, which are designed to ensure that the Issuer and HSBC UK can operate as separate legal entities from 1 July 2018.

Furthermore, as part of the HSBC Group's reorganisation plans, it is expected that the Issuer will become a wholly-owned subsidiary of HSBC UK Holdings Limited in the second half of 2018.

The cost to the Issuer of the ring-fencing project was £0.3 billion in 2017 (compared to £0.1 billion in 2016).

The unaudited combined balance sheet of the businesses to be transferred to HSBC UK as part of the Issuer's implementation of UK structural reform requirements (the "**Ring-fence Bank**") as at 31 December 2017 and the unaudited pro forma balance sheet of the Issuer as at 31 December 2017 set out in the section entitled "*Additional Financial Information*" have been prepared so as to illustrate the effect of the above transfer and anticipated additional transfer and re-organisation activities (including capital contributions), based on the assets, liabilities and shareholder's equity of the Issuer as at 31 December 2017.

The Issuer expects that it will have a smaller balance sheet as a result of the structural changes described above, including a reduction in its RWAs, and a reduced and potentially more volatile revenue stream given that the Issuer's GB&M business will represent a higher proportion of its business compared to the position prior to such changes. Furthermore, the structural changes to the Issuer could result in changes to the Issuer's credit rating and increases in its cost of funding.

The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 has been prepared for illustrative purposes only and, due to the nature of such information, it addresses a hypothetical situation and therefore does not represent the Issuer's actual financial position at any time.

It should also be noted that, both the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 and the unaudited pro forma balance sheet of the Issuer as at 31 December 2017 should not be construed as representing the Issuer's or HSBC UK's actual assets, liabilities or shareholders' equity on 1 July 2018 or indicative of their respective financial position on 1 July 2018 or thereafter.

As at 31 December 2017, the Group had a CRD IV transitional common equity tier 1 capital ratio of 11.8 per cent and a CRD IV transitional total capital ratio of 16.9 per cent. Following completion of the legal separation of HSBC UK from the Issuer on 1 July 2018, the Issuer intends for its common equity tier 1 ratio and total capital ratio to exceed the minima required by CRD IV and other applicable requirements. During the first quarter of 2018, the Issuer increased its common equity tier 1 capital by £1.9 billion and its additional tier 1 capital by £0.8 billion through capital contributions from HSBC Holdings. As at the date of this Registration Document, following completion of the legal separation of HSBC UK from the Issuer, the targeted common equity tier 1 capital ratio of the Issuer is expected to be between 12 per cent. and 13 per cent.

Management

Directors

The directors of the Issuer, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in relation to the Issuer and their principal outside activities (if any) of significance to the Issuer are as follows (please refer to pages 59 and 60 of the 2017 Annual Report and Accounts (incorporated by reference herein) for more information):

Name	**Function within the Group**	**Other principal activities outside of the Issuer**
J Symonds*	Chairman	Senior independent non-executive Director, Chairman of the Group Audit Committee, a member of the Group Nomination Committee and a member of the Conduct and Values Committee of HSBC Holdings plc

Name	Function within the Group	Other principal activities outside of the Issuer
		Chairman, Proteus Digital Health Inc. Non-executive Director, Genomics England Limited
J F Trueman*	Deputy Chairman	Chairman, HSBC Private Bank (UK) Limited Chairman, HSBC Global Asset Management Limited
A P Simoes**	Chief Executive Officer	Group Managing Director of HSBC Holdings plc Director of HSBC France
J Coyle*	Director	Chairman, HSBC Trust Company (UK) Limited Chairman, Marks & Spencer Unit Trust Management Limited Non-executive Director, Marks and Spencer Financial Services plc Non-executive Director, Marks and Spencer Savings and Investments Limited Non-executive Director and Chairman of the Audit and Risk Committee, Scottish Water Non-executive Director and Chairman of the Audit and Risk Committee, Honeycomb Finance plc Director and Chairman of the Audit and Risk Committee, Worldfirst Member of the Financial Reporting Council's Monitoring Committee
Dame Denise Holt*	Director	Chairman, Marks and Spencer Financial Services plc Chairman, Marks and Spencer Savings and Investments Limited Non-executive Director, Iberdrola SA A member of the Board of Governors, Nuffield Health
D Lister*	Director	Non-executive Director, FDM Group (Holdings) plc Non-executive Director, CIS General Insurance Limited A member of the Board of Governors, Nuffield Health
Dame Mary Marsh*	Director	Non-executive Chair of Trustees, Royal College of Paediatrics and Child Health Director, London Symphony Orchestra A member of the Governing Body, London Business School Trustee, Teach First
T B Moulonguet*	Director	Director of HSBC France, Chairman of its Audit Committee and a member of its Risk Committee Director, Fimalac Director, Groupe Lucien Barrière Director, Valéo

Name	Function within the Group	Other principal activities outside of the Issuer
		Director, Prodways Group
E Strutz*	Director	Member of the Supervisory Board and Chairman of the Risk and Audit Committees, HSBC Trinkaus & Burkhardt AG, Germany Member of the Board of Directors and Chairman of the Risk and Audit Committee, Partners Group Holding AG, Switzerland

Notes:

* Independent Non-executive Director

** Antonio Simoes has taken a six-month leave of absence and James Emmett has been appointed Acting Chief Executive Officer of the Issuer until Antonio resumes his duties in September 2018.

Management Committees

Executive Committee

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

Name	Function	Other principal activities outside the Issuer
A P Simoes*	Chairman	Group Managing Director, HSBC Holdings plc
C Allen	Head of Global Private Banking, UK and Channel Islands	—
J Beunardeau	Chief Executive Officer, HSBC France	Group General Manager, HSBC Holdings plc
A Brandao	Head of Global Banking and Markets	Group General Manager, HSBC Holdings plc
C Davies	Chief Executive Officer, International	Group General Manager, HSBC Holdings plc
J Emmett**	Chief Operating Officer, Europe	Group General Manager, HSBC Holdings plc
R J H Gray	General Counsel, Europe	Group General Manager, HSBC Holdings plc
A Hewitt	Head of Regulatory Compliance, Europe	—
N Hattrell	Head of Human Resources	Group General Manager, HSBC Holdings plc
A Murphy	Head of Commercial Banking, HSBC UK	—
P Reid	Chief Risk Officer, Europe	—

Name	Function	Other principal activities outside the Issuer
C Graefin von Schmettow	Chief Executive Officer, Germany	—
I Stuart	Chief Executive, HSBC UK	Group General Manager, HSBC Holdings plc
T Turan	Acting Head of Retail Banking and Wealth Management, Continental Europe	—
T Walter	Chief of Staff and Head of Strategy and Planning	—
M Wallis	Head of Communications, Europe	—
D Watts	Chief Financial Officer, Europe	—
S Kingsbury	Head of Financial Crime Compliance, Europe	—

Notes:

* Antonio Simoes has taken a six-month leave of absence and James Emmett has been appointed Acting Chief Executive Officer of the Issuer and Chairman of the Issuer's Executive Committee until Antonio resumes his duties in September 2018.

** Ewan Barr is Acting Chief Operating Officer, Europe during the period when James Emmett is Acting Chief Executive Officer of the Issuer.

Conflicts of Interest

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

Major Shareholders

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

Dividends

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

Year	Aggregate Dividends (in £m)	Comments
2013	1,241	Including payments of £40,702,747 under the Non-cumulative Third Dollar Preference Shares.
2014	956	Including payments of £40,664,890 under the Non-Cumulative Third Dollar Preference Shares.
2015	855	Including payments of £43,021,503 under the Non-Cumulative Third Dollar Preference Shares.
2016	724	Including payments of £53,959,275 under the Non-Cumulative Third Dollar Preference Shares.
2017	819	Including payments of £50,172,018 under the Non-Cumulative

Year	Aggregate Dividends (in £m)	Comments
		Third Dollar Preference Shares.

On 12 February 2018, the Issuer declared and on 23 February 2018 the Issuer paid a cash dividend of £583 million to HSBC Holdings plc.

ADDITIONAL FINANCIAL INFORMATION

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

(A) UNAUDITED COMBINED BALANCE SHEET OF THE BUSINESSES TO BE TRANSFERRED TO HSBC UK BANK PLC ("HSBC UK") AS PART OF HSBC BANK PLC'S (THE "ISSUER") IMPLEMENTATION OF UK STRUCTURAL REFORM REQUIREMENTS (THE "RING-FENCE BANK") AS AT 31 DECEMBER 2017

Background

The unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 set out below is not the actual balance sheet of HSBC UK but reflects the combined retail operations of the Issuer in the UK (excluding the Channel Islands and Isle of Man) and includes the qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses, relevant Corporate Centre activities and qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and a number of asset finance entities, to be transferred to HSBC UK on 1 July 2018. The unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 has been extracted from the consolidation schedules used in preparing the Group's audited consolidated financial statements for the year ended 31 December 2017 with certain adjustments and estimations to reflect that the HSBC UK business did not comprise a separate legal entity or a separate group of entities as at 31 December 2017.

The unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017, which has been prepared specifically for the purposes of this Registration Document, is prepared on a basis that combines the assets and liabilities of the Ring-fence Bank by applying the principles underlying the consolidation procedures of International Financial Reporting Standard ("**IFRS**") 10 'Consolidated Financial Statements' as at 31 December 2017. IFRS does not provide for the preparation of combined financial information, accordingly, in preparing the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017, certain accounting conventions commonly used for the preparation of combined or carve out financial information have been applied. The effects of IFRS 9 'Financial Instruments' are not incorporated as these are only applicable from 1 January 2018. The most material of these assumptions and judgements are set out in the notes to the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 below. As a result, subsequent financial information reported by HSBC UK may differ from that presented in the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017 below.

The establishment of HSBC UK will be accounted for as a group restructuring. The HSBC Group's accounting policy for such transactions requires that assets and liabilities are recognised by HSBC UK at their existing carrying amounts in the financial statements of the Issuer. Equity reserves, relating to items such as cash flow hedging and available-for-sale fair values will not be recycled by the Issuer, but will be transferred across to continue the existing accounting basis in HSBC UK, as if HSBC UK had always been in place.

Unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017

	Notes	2017 £billion
Assets	1	
Liquid assets	2	59.1
Derivatives	3	0.1
Loans and advances to customers		162.0
Pension asset	4	6.1
Prepayments, accrued income and other assets	5	2.1
Goodwill and intangible assets	6	3.6
Total assets		**233.0**
Liabilities and equity		
Liabilities	1	
Customer accounts		203.5
Items in the course of transmission to other banks		0.4
Financial liabilities designated at fair value	7	1.0
Derivatives	3	0.2
Accruals, deferred income and other liabilities	5	1.6
Provisions	8	1.1
Deferred tax liabilities	9	1.2
Subordinated liabilities	7	3.9
Total liabilities		**212.9**
Total equity	10	**20.1**
Total liabilities and equity		**233.0**

Notes:

1. HSBC UK will combine the retail operations of the Issuer in the UK (excluding the Channel Islands and Isle of Man) and includes the qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses, relevant Corporate Centre activities and qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and a number of asset finance entities. The assets and liabilities of the Ring-fence Bank have been derived from the consolidated balance sheet of the Group as at 31 December 2017 based on the perimeter of the business that will be transferred on 1 July 2018. To the extent that there are material allocations and adjustments made these are further explained in notes 2 to 10.

2. Liquid assets include cash and balances at central banks, items in the course of collection from other banks and financial investments. The amount of liquid assets to be transferred on 1 July 2018 will depend on the net amount of qualifying assets and liabilities transferred to HSBC UK following completion of the legal separation from the Issuer.

3. The Ring-fence Bank derivative assets and liabilities relate solely to hedging instruments that will be used to manage the Ring-fence Bank's own risk.

4. The surplus on the UK principal defined benefit plan has been recognised entirely in the unaudited combined balance sheet of the Ring-fence Bank, as an immaterial amount will be retained by the Issuer. The transfer of such surplus to HSBC UK will be based on actuarial valuations.

5. For a number of high volume operational financial assets (£1.7 billion) and liabilities (£1.4 billion) the underlying businesses are not readily identifiable and these balances have been allocated equally between the Issuer and the Ring-fence Bank. Other financial assets and liabilities have been allocated to the Ring-fence Bank based on the underlying businesses to which such financial assets and liabilities relate.

6. While goodwill is an accounting concept and therefore will not form part of the legal transfer of assets and liabilities to HSBC UK, consistent with the accounting approach for other assets and liabilities, it is necessary to take a relative proportion of the goodwill accounting value previously recognised by the Group. Goodwill has therefore been allocated to the Ring-fence Bank based on estimated risk weighted assets. Following an acquisition, goodwill loses its original identity and is managed and monitored by cash generating units, which for the Group are the global businesses that have benefited from those historical acquisitions. Given a significant percentage of the global businesses that supported the goodwill will be transferred to HSBC UK, it therefore follows that a significant portion of the goodwill is also transferred with those businesses.

7. Tier 2 capital allocated to Ring-fence Bank in order to meet the requisite capital ratios. The tier 2 allocation is based on information available and assumptions made at the date of preparation, as such, subsequent amounts reported may differ.

8. Provisions have been allocated to the Ring-fence Bank based on the underlying business line that generated an obligating event resulting in the provision.

9. No current tax has been recognised on the unaudited combined balance sheet of the Ring-fence Bank as at 31 December 2017. HSBC UK will begin to accrue a current tax asset or liability arising from the business transferred from 1 July 2018, following separation from the Issuer. Deferred tax has been recognised in respect of the temporary differences arising on the underlying assets and liabilities transferred.

10. Total equity includes share capital, share premium, additional tier 1 capital instruments and reserves. Reserves include accounting reserves of approximately £7.6 billion relating to the recognition of goodwill and the pension asset which do not form part of regulatory capital. Equity is based on information available and assumptions made at the date of preparation, as such, subsequent amounts reported may differ.

(B) UNAUDITED PRO FORMA FINANCIAL INFORMATION IN RESPECT OF THE ISSUER AS AT 31 DECEMBER 2017

Background

The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 set out below has been prepared to illustrate the effect of the transfers referred to in "*The Issuer and its Subsidiaries — Information relating to the Issuer's Implementation of UK Structural Reform Requirements*" on pages 27 and 28, together with a number of additional transfers and re-organisation activities planned for 2018, as if each of the foregoing had taken place on 31 December 2017.

The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not and will not represent the Issuer's actual balance sheet. The unaudited pro forma balance sheet of the Issuer as at 31 December 2017 does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006.

Investors should read the whole of this Registration Document and not rely solely on the unaudited pro forma financial information set out below. PricewaterhouseCoopers LLP's report on the unaudited pro forma balance sheet of the Issuer as at 31 December 2017 is in Part (C) below.

Unaudited pro forma consolidated balance sheet of the Issuer as at 31 December 2017

	Group[1]	Adjustment for ring-fencing transfers to HSBC UK[2]	Pro forma[3]
	£billion	*£billion*	*£billion*
Assets			
Liquid assets[1]	157.6	(59.1)	98.5
Trading assets	145.7	-	145.7
Financial assets designated at fair value	9.3	-	9.3
Derivatives	143.3	(0.1)	143.2
Loans and advances to banks	14.1	-	14.1
Loans and advances to customers	280.4	(162.0)	118.4
Reverse repurchase agreements – non-trading	45.8	-	45.8
Pension asset	6.1	(6.1)	-
Prepayments, accrued income, other assets and current tax assets	10.2	(2.1)	8.1
Interest in associates and joint ventures	0.3	-	0.3
Goodwill and intangible assets	5.9	(3.6)	2.3
Deferred tax assets[4]	0.1	0.3	0.4
Total assets	**818.8**	**(232.7)**	**586.1**
Liabilities and equity			
Liabilities			
Deposits by banks	29.3	-	29.3
Customer accounts	381.6	(203.5)	178.1
Repurchase agreements – non-trading	37.8	-	37.8
Items in the course of transmission to other banks	1.1	(0.4)	0.7
Trading liabilities	106.5	-	106.5
Financial liabilities designated at fair value	18.2	(1.0)	17.2
Derivatives	140.1	(0.2)	139.9
Debt securities in issue	13.3	-	13.3
Accruals, deferred income, other liabilities and current tax liabilities	6.7	(1.6)	5.1
Provisions	1.8	(1.1)	0.7
Liabilities under insurance contracts	21.0	-	21.0
Deferred tax liabilities[4]	0.9	(0.9)	-
Subordinated liabilities	16.5	(3.9)	12.6
Total liabilities	**774.8**	**(212.6)**	**562.2**
Total equity[3]	**44.0**	**(20.1)**	**23.9**
Total liabilities and equity	**818.8**	**(232.7)**	**586.1**

Notes:

1. The consolidated balance sheet of the Group has been directly extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2017 included in the 2017 Annual Report and Accounts. Liquid assets include cash and balances at central banks (£97.6 billion), items in the course of collection from other banks (£2.0 billion) and financial investments (£58.0 billion).

2. This adjustment reflects the separation from the Issuer of its combined retail operations in the UK (excluding the Channel Islands and Isle of Man) and includes the qualifying components of the Issuer's UK Retail Banking and Wealth Management, Commercial Banking and Global Private Banking businesses, relevant Corporate Centre activities and qualifying subsidiaries, notably Marks and Spencer Financial Services plc, HSBC Private Bank (UK) Limited and a number of asset finance entities. The financial information used in this adjustment has been extracted from the unaudited combined balance sheet of the Ring-fence Bank included in Part (A) above, with the exception of the adjustment to deferred tax assets and deferred tax liabilities as described in note 4.

3. As noted in "*The Issuer and its Subsidiaries — Information relating to the Issuer's Implementation of UK Structural Reform Requirements*" on page 28, following completion of the legal separation of HSBC UK from the Issuer on 1 July 2018, the Issuer intends for its common equity tier 1 ratio and total capital ratio to exceed the minima required by CRD IV and other applicable requirements. During the first quarter of 2018, the Issuer increased its common equity tier 1 capital by £1.9 billion and its additional tier 1 capital by £0.8 billion through capital contributions from HSBC Holdings plc. The unaudited pro forma consolidated balance sheet of the Issuer as at 31 December 2017 above does not include the effect of these capital contributions from HSBC Holdings plc.

4. Deferred tax liabilities of £1.2 billion have been recognised in the Ring-fence Bank in respect of temporary differences arising on the underlying assets and liabilities transferred. This has been reflected in the unaudited pro forma consolidated balance sheet of the Issuer as at 31 December 2017 as an adjustment of £0.9 billion to deferred tax liabilities and an adjustment to deferred tax assets of £0.3 billion.

(C) ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ISSUER AS AT 31 DECEMBER 2017

pwc

The Directors

HSBC Bank plc
8 Canada Square
London
E14 5HQ

13 April 2018

Dear Sirs

HSBC Bank plc (the "Company")

We report on the pro forma financial information (the "**Pro Forma Financial Information**") set out in Part (B) of the section entitled "*Additional Financial Information*" in the Company's registration document dated 13 April 2018 (the "**Registration Document**") which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information the how the impact of the legal separation of HSBC UK Bank plc from the Company might have affected the financial information of the Group as at 31 December 2017 on the basis of the accounting policies adopted by the Company in preparing the financial statements for the year ended 31 December 2017. This report is required by item 7 of Annex II to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities
It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex II of the PD regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.4R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 13.1 of Annex XI to the PD Regulation, consenting to its inclusion in the Registration Document.

Basis of opinion
We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents,

considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion
In our opinion:

a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
b) such basis is consistent with the accounting policies of the Company.

Declaration
For the purposes of Prospectus Rule 5.5.4R(2)(f), we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex XI to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

GENERAL INFORMATION

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

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

2. There has been no significant change in the financial position of the Issuer and its subsidiary undertakings (the "**Group**") nor any material adverse change in the prospects of the Issuer since 31 December 2017.

3. Save as disclosed in Note 23 "*Provisions*" on pages 124 to 125, and Note 30 "*Legal proceedings and regulatory matters*" on pages 132 to 137, of the Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2017 (the "**2017 Annual Report and Accounts**") (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) 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 Issuer and/or the Group.

4. PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, of 1 Embankment Place, London, WC2N 6RH, United Kingdom has audited without qualification the financial statements contained in the Annual Report and Accounts of the Issuer for the financial years ended 31 December 2016 and 31 December 2017.

5. PricewaterhouseCoopers LLP is a member firm of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion of its report in Section (C) of "Additional Financial Information", in the form and context in which it appears, and has authorised the contents of its report for the purposes of Rule 5.5.4R(2)(f) of the FCA's Prospectus Rules. A written consent under the FCA's Prospectus Rules is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). As the debt or derivative securities to which this Registration Document relates are not expected to be registered under the Securities Act, PricewaterhouseCoopers LLP has not filed a consent under Section 7 of the Securities Act.

6. The date of the articles of association of the Issuer is 20 October 2010.

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

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

    (b) the articles of association of the Issuer;

    (c) the 2017 Annual Report and Accounts; and

    (d) the 2016 Annual Report and Accounts of the Issuer and its subsidiary undertakings for the year ended 31 December 2016 and the additional financial information document in relation to the year ended 31 December 2016.

8. The Issuer will, at its registered office and on its website www.hsbc.com (follow links to 'Investor relations', 'Fixed income investors' 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 Issuer 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 Issuer 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 Issuer 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.

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

HEAD AND REGISTERED OFFICE OF THE ISSUER

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

PAYING AGENTS

HSBC Bank plc
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United Kingdom

HSBC Bank USA, National Association
Corporate Trust and Loan Agency
452 Fifth Avenue
New York
New York 10018
United States of America

AUDITOR AND REPORTING ACCOUNTANT TO THE ISSUER

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom