BASE PROSPECTUS SUPPLEMENT DATED 25 FEBRUARY 2021

HSBC Bank plc

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

as Issuer

This base prospectus supplement (the "**Base Prospectus Supplement**") is supplemental to and must be read in conjunction with: (i) the base prospectus dated 26 May 2020 relating to the Debt Issuance Programme and the supplements thereto dated 6 August 2020 and 23 October 2020 (together, the "**DIP Base Prospectus**"); (ii) the base prospectus dated 28 May 2020 relating to the issuance of Market Access Notes and Warrants under the Programme for the Issuance of Notes and Warrants and the supplements thereto dated 6 August 2020 and 23 October 2020 (together, the "**Market Access Base Prospectus**"); (iii) the base prospectus dated 18 June 2020 relating to the issuance of Index-Linked Notes and Warrants under the Programme for the Issuance of Notes and Warrants and the supplements thereto dated 6 August 2020 and 23 October 2020 (together, the "**Index-Linked Base Prospectus**"); (iv) the base prospectus dated 18 June 2020 relating to the issuance of Preference Share-Linked Notes under the Programme for the Issuance of Notes and Warrants and the supplements thereto dated 6 August 2020 and 23 October 2020 (together, the "**Preference Share-Linked Base Prospectus**"); and (v) the base prospectus dated 18 June 2020 relating to the issuance of Interest Rate-Linked and Inflation-Linked Notes under the Programme for the Issuance of Notes and Warrants and the supplements thereto dated 6 August 2020 and 23 October 2020 (together, the "**Interest Rate-Linked and Inflation-Linked Base Prospectus**") (the DIP Base Prospectus, the Market Access Base Prospectus, the Index-Linked Base Prospectus, the Preference Share-Linked Base Prospectus and the Interest Rate-Linked and Inflation-Linked Base Prospectus together being hereafter referred to as the "**Base Prospectuses**") each prepared by HSBC Bank plc (the "**Issuer**") in connection with the applications made for Notes, Warrants or Certificates (as applicable) to be admitted to listing on the Official List of the Financial Conduct Authority (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000 (the "**FSMA**")) and to trading on the main market of the London Stock Exchange plc and/or the offer of Notes, Warrants or Certificates to the public (as applicable).

This Base Prospectus Supplement constitutes a supplement for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**") and a supplementary prospectus for the purposes of section 87G of the FSMA. Terms defined in the Base Prospectuses shall have the same meaning when used in this Base Prospectus Supplement.

The Issuer accepts responsibility for the information contained in this Base Prospectus Supplement. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

The purpose of this Base Prospectus Supplement is to:

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

- replace paragraph 2 of the "*General Information*" section of the registration document prepared by the Issuer dated 26 May 2020 (which is incorporated by reference into the Base Prospectuses) with the following statement:

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

- replace each of paragraph 8 of the '*General Information*' section of the Market Access Base Prospectus, paragraph 10 of the '*General Information*' section of the Index-Linked Base Prospectus, paragraph 8 of the '*General Information*' section of the Preference Share-Linked Base Prospectus and paragraph 10 of the '*General Information*' section of the Interest Rate-Linked and Inflation-Linked Base Prospectus with the following statement:

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

- update the risk factor entitled: *Impact of Covid-19* in the Market Access Base Prospectus, Index-Linked Base Prospectus, Preference Share-Linked Base Prospectus and Interest Rate-Linked and Inflation-Linked Base Prospectus in the section entitled "**Risks relating to the Bank**" and in the DIP Base Prospectus in the section entitled "**Risks relating to the Issuer**" as set out in Annex 1 hereto.

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

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

Save as disclosed in this Base Prospectus Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectuses has arisen since the publication of the Base Prospectuses.

In circumstances where Article 23(2) of the UK Prospectus Regulation applies, investors who have agreed to purchase or subscribe for any Notes, Warrants or Certificates prior to the publication of this Base Prospectus Supplement may have the right to withdraw their acceptance. Investors wishing to exercise any such right should do so by giving notice in writing to the person from whom they agreed to purchase or subscribe for such Notes, Warrants or Certificates. This right is exercisable up to, and including 1 March 2021, which is the final date for the exercise of such right to withdraw.

ANNEX 1

Macroeconomic and geopolitical risk

Impact of Covid-19

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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